Nine Page Report on Canadian Pulp and Paper Association Convention

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The Nation's Business

Ottawa Dodges Waterways Question
Conspiracy of Silence
Tories for Public Ownership
Liberals for Private Control

RETICENCE which amounts, virtually to a conspiracy of silence, continues to mark the utterances of the party chieftains at Ottawa in regard to the Greater St. Lawrence Waterways.

Premier King in the Speech from the Throne debate, carefully refrained from discussing the all important point of the policy of development which his government favors, but he did contribute to the fund of public information by stating that he was preparing a reply to the invitation extended last summer to Canada by the government of the United States to commence construction of the waterways forthwith, and, that the government had submitted a reference to the Supreme Court asking for an opinion as to the respective rights of the provincial and federal governments in power development on the St. Lawrence River.

* * *

PREMIER FERGUSON of Ontario has been asking for such a submission and it is for this reason that the government has taken this step. It is possible that the St. Lawrence project will not be materially advanced or the difficulties surrounding it greatly simplified by the opinion of the Supreme Court. The Privy Council only two years ago delivered a judgment on this point, finding, in general terms, that the provinces controlled the beds or rivers and the shore waters, while to the Federal government belonged the navigable waters. Even distinguished jurists might well have difficulty in identifying the water that flowed over a dam either as shore or navigable. However, the beds of rivers are essential to the construction of dams and this essential feature of power or navigation development is unchallengable.

* * *

HON. R. B. BENNETT in his speech failed to mention the St. Lawrence, save to abuse the government for not laying all cards upward on the table. However, unless reports are far astray, Mr. Bennett has a policy and but awaits the assent of Premier Ferguson before announcing it. It is understood that Mr. Bennett holds the view that the navigation dams and channels should be constructed as a public enterprise and that the power thus made available should be leased to distributing companies. This differs radically from the policy favored by the government which is that the navigation and power works ought to be constructed by private enterprise, except in the International stretch of the river, and that the private companies should turn back the navigation works to the government, complete and ready for operation.

The proposal of the Beauharnois Power Company would fit in admirably with the government's policy, but would not be acceptable to Mr. Bennett.

* * *

THIS presents the unusual spectacle of the Conservative party, supposedly the party of business, preparing to come out for a policy of government ownership in connection with the St. Lawrence canal and power schemes while the Liberal party, the traditional supporter of the milder forms of state socialism, is virtually committed already to giving private individuals encouragement in building the canal and the power plants. But Canadians are accustomed to seeing such anomalies. It was the Tory party that gave Ontario its publicly-owned hydro-electric system and that bought the Canadian National. And Quebec's Liberal government is the strongest private ownership group in the Dominion.

* * *

IN ALL probability there will not be a complete show-down on the St. Lawrence Waterways question until later in the session, and so far the pronouncements of the leaders of both parties may be discounted for the reason that they are prompted by party tactics. General and non-committal statements in regard to the project are sort of smoke screens behind which both parties are marshaling their forces and maneuvering for position.

ALLIED PACKERS LOST $2,500,000 IN CANADA

Sale of Canadian Packing Co. Plant, U.S. Concern Dropped Much

Allied Packers lost $2,500,000 on its investment in Canadian Packing Company, recently absorbed into Canada Packers. Allied Packers put about $5,000,000 into the company a few years ago when it acquired it as a Canadian subsidiary and recently sold out for $2,500,000 cash. It was losing $400,000 yearly on Canadian Packing Company. The annual report of Allied Packers just issued shows that $2,378,428 was deducted to cover loss on sale of Canadian properties.

Record Vancouver Seat Price

From Our Own Correspondent

VANCOUVER.—A record price for a Vancouver stock exchange seat was established Saturday when Brig.-Gen. Victor W. Odlum disposed of his membership to Frank Parsons and associates for $12,000. Early in 1927 seats were offered at $500.

CAN. MALTING STOCK RIGHTS LIKELY SOON

Construction of Malt House on Toronto Waterfront is Planned

WORK TO CAPACITY

First Quarterly Dividend Payment of 37½% Will be Paid on March Fifteenth

Rights shortly will be offered to shareholders of Canada Malting Co., it is reported. A director of the company, interviewed by The Financial Post, stated that, while such a step had not been determined definitely, it is probable, in view of the large capital expenditure which will be involved in the construction of a malt house and grain elevator on the Toronto waterfront.

Canada Malting goes on a dividend basis on March 15th with an initial quarterly payment of 37½ cents to shareholders of record as of February 29th.

The company has leased a 2½ acre site near the foot of Bathurst Street, Toronto, from the Toronto Harbor Commissioners. There will be a grain elevator of 750,000 bushels capacity and a malt house of 1,000,000 bushels capacity constructed on this site. There will be ample room for expansion.

Canada Malting Co., according to information which comes from a reliable quarter, has made progress in the several months since the issue of stock at $27 the share, but greater progress would have been possible, it is stated, if the capacity of the plants had been greater.

It is hoped that the increase in the facilities of the company will enable it to secure and retain a greater proportion of the Western Ontario market. While this company is supreme in the malting business in Canada (a new company at Winnipeg being its only competitor), imports of malt are heavy. It is believed that the location of a malt house at Toronto will encourage the production of barley on Ontario farms.

CANADIAN CANNERS PREFERRED STOCK YIELDS OVER 6½%

Company is in Excellent Financial Position at Present Moment

An investment stock which appears to be somewhat neglected is the new first preferred of Canadian Canners, Ltd. At recent prices of 91½ to 92, this 6 per cent. gives a yield of better than 6½ per cent. The total outstanding is $4,557,200 and the company should have no difficulty in maintaining earnings of at least double the preferred dividend requirements of $273,432. In no year since 1922 have the net earnings after bond interest fallen below $350,000 and the company is in immensely better position now than in 1923, when the earnings were at that figure.

The 1927 report, which will be available in about four weeks, will show net earnings of approximately $650,000, it is forecast, and the balance sheet of the company will reflect an improvement in liquid position due to sound financing, the rearrangement of the capital structure so that the overburden of preferred was reduced, and trade conditions which finds this company with adequate inventories following a year of short crops.

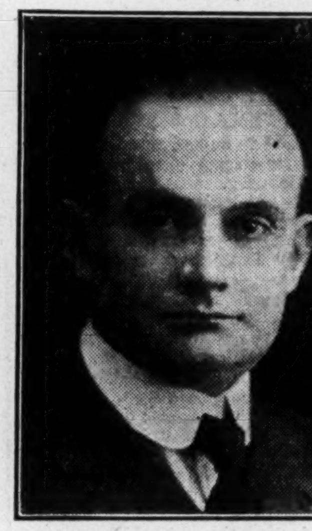
This new first preferred is selling at low prices because so far it has not found its way into investment hands. The old stock was carried almost entirely as a speculation and its erstwhile holders have been disposing of it and buying the new common or the second preferred as issues which have greater speculative possibilities.

Immediately following the capital rearrangement, the second preferred and the common rose rather quickly. In the last week or two, however, the second preferred has been fairly steady between 21½ and 23 and the common around 19. Its sponsors are confident of the future of the company and believe that the market will reflect continued improvement.

Drury Writes Series on Farm Movement

THE FINANCIAL POST takes pleasure in announcing a series of articles on the farm movement in Canada, to be written by Hon. Ernest C. Drury. Mr. Drury has been identified with the agrarian movement in Canada for over twenty years and from 1919 to 1923 was prime minister of Ontario, heading a farmer government.

In order to study at first hand the different phases of the farm movement in Western Canada, Mr. Drury has been touring the prairie provinces on behalf of The Financial Post and has talked with farm leaders, individual farmers, bankers and business men in every section of the three prairie provinces.



—Photo by Mr. Lyonde, Toronto

HON. E. C. DRURY

In this series of articles, Mr. Drury will interpret the farm movement as it affects Canadian business and present the farmers' viewpoint for the Canadian business man and financier. His articles will cover the political phases of the farmers' movement in Ontario and the West, the wheat pool, rural credits, etc.

Mr. Drury has been given a free hand to write of conditions as he sees them. While some of the ideas he presents may differ from the expressed editorial views of The Financial Post, there has been no attempt to dictate to him what he should say and his articles will in no way be altered before publication. Mr. Drury's sole instructions were to tell Canadian citizens what the farmers' movement means and to interpret the farmers' viewpoint.

The first article in this series is in this issue.

Farm Movement in Canada Has Its Basis in Desire to Improve Country Life

Farmers Make Less Money Than City Workers But Have No Desire to Give Up Ancient Occupation—Rather Seek to Make Life More Comfortable

By HON. ERNEST C. DRURY.
Former Prime Minister of Ontario

THE modern farm movement in Canada is a mighty thing, persistent, dynamic, portentous in its range of vision and its steadfastness of purpose. After two earlier and short-lived attempts at organization which ended in utter failure and discouragement, it began, in its present general form some twenty-five years ago. Its birth-place was the wide prairies, and Western influence has been a dominant factor in its direction ever since. Perhaps to that fact it owes the breadth of vision which has characterized its far-flung activities, and its outstanding courage and persistence in the face of difficulties.

Fine Record of Work Done

During its quarter-century of life, it has to its credit an almost unbelievable list of accomplishments. It has created organizations which cover the four great agricultural provinces of the Dominion, and are the effective mouthpieces of farm opinion and sentiment. It has established and carried on great co-operative enterprises which are serving the farmers with pretty general satisfaction, and are handling hundreds of millions of dollars in business annually. It is worth noting in this connection that during the many years of their existence, there has not been a single charge of betrayal of trust or dishonesty, and that these great enterprises enjoy the general confidence not only of the farmers, but of the financial and business worlds.

In the political field the agrarian movement has had profound results. It has placed in power three provincial governments, one of which has been since defeated. These governments, of necessity largely consisting of men fresh from the land, and without previous political experience, have for the most part, shown themselves able, sane and competent. Even in Ontario, dominated as that province is by urban centres, and where the Farmers Government as it was called, or the Progressive Government as it preferred to be called, after four stormy years of life, went down to defeat, solid men everywhere, not its political friends, acknowledge that it was a good thing it existed, that by its far-sighted constructive policies the whole province has greatly benefited, and that by one outstanding and courageous act of sound and conservative economy, namely, the refusal to inaugurate an extensive scheme of radial railway construction, carried through in the face of the bitterest opposition, it saved the province from a folly that might well have proved ruinous.

Effect on Dominion Politics

In the federal field too, the political effect of the farm movement has made itself felt. It gave birth to the Progressive party, and while that party has been hampered by serious divisions within its own ranks, and has perhaps shown a certain lack of courage, it would be idle to deny that it has had a pronounced effect on the affairs of the Dominion, an effect which will not be lost as years go on.

In view of these notable records of achievement, and of the further fact that, almost without exception, the leaders of the movement, the men whose foresight, and vision and sanity have fashioned its policies and directed its activities, have been actual farmers, working their farms for a living, men whose faces were brown from sun and wind, and whose hands were hard from the plow-handles, it is apparent that a new view must be taken both of farming and farmers. An occupation which, quite aside from its great and increasing contribution to the nation's wealth, can so make itself felt in the field of business and politics, is worthy of serious consideration. The farmers, though they wear overalls, and work with their hands, are men of capacity, and the motive force, the aims and ideals behind so great a thing as this movement has shown itself to be, must be not only deep-rooted and strong, but reasonable as well. In order to better understand them, it is necessary to consider some of the peculiar features of modern farming.

Unaffected by Machine Age

In an age where machinery and factory methods, standardization and mass production have destroyed much of the individuality of industrial workers, and reduced many of them to the level of cogs in a machine, without affection for their occupation, or pride of craftsmanship, agriculture is unique in having retained these ancient virtues. Farming is not only a business; it is also, to a high degree, a service and an art, and this is true, not only of the apostles of modern scientific agriculture, but also of the most ignorant backwoods farmer who accumulates a store of farming lore, and prides himself on his ability to turn a good furrow. It is not only a living, but a life, and it is a good thing that this life appeals to so large a portion of the human race. It is a commonplace to say that the farming people are lured by the bright lights of the cities. This is far from the truth. As a matter of fact, thousands of farmers, individually, could sell their holdings, place their money at interest, and work in the cities at even common labor, with greater financial returns, less responsibility, shorter hours, and more comfortable homes than they now enjoy. That they do not do so is due to their interest in their occupation, and their liking for farm life. This also explains why farms sell at prices which their returns cannot justify, why rents are generally less than interest on purchase price, and why laboring men will work on farms for less money in many cases than they could earn in other occupations. The rural exodus is slow, even under adverse economic conditions. The rural people, dealing with the most permanent of human assets, the land, and by the very nature of their work being compelled to take the long view of things, cling tenaciously to their occupation and their life.

Demand Higher Living Standards

But while Canadian farmers in common with rural peoples the world over, are dominated by these feelings, it is also true that they are

(Continued on page 2)

Trust in Canada's Future; and Keep Your Margins Up

Says T. B. Macaulay, president of Sun Life:

"While I predict that at the end of a few months, or possibly a year, security prices on the whole will be lower than to-day, I also believe that in five years they will be very much higher. The general trend of investment securities in Canada is upward. Those who hold sound securities to-day should not permit themselves to be scared out by market fluctuations."

On security questions, no man is better qualified to express an opinion. But. Mr. Macauley also adds that the old days of catastrophic breaks and huge booms are over because of the banking system in the United States and Canada and because in the last two decades there has been an immense accumulation of wealth on this continent.

In the coming slump in prices of many stocks—for few will have the temerity to say that a slump is not coming—those who will be hurt will be those who buy without adequate information and those who carry good stocks with less than adequate margin.

There still are persons who do not investigate before they invest or who are counselled incompetently. And there are still persons who mortgage their investments to the limit so that any slump which may temporarily affect good stocks may wipe out their equities.

Investment in the prosperity and progress of Canada on adequate margin will bring ultimate substantial reward and in large measure safeguard against possible loss.

FATAL DELAY KEEPS CANADA OUT OF SHOW

Will Not be in British Industries Fair After All

ALL SPACE BOOKED

However Government Will Get Space in Advance at Other Big British Fairs

From Our Own Correspondent

OTTAWA.—Hon. James Malcolm, Minister of Trade and Commerce, confirmed to The Financial Post's representative a report from London to the effect that the Canadian government would not take part in the British Industries Fair, to be held shortly in the Old Country.

Mr. Malcolm stated that the government recently had decided to participate in this and other British fairs and had sent a representative to England to make the necessary arrangements. When this representative arrived he had found that all available space in the British Industries Fair had been taken and the Canadian government, therefore, is unable to enter an exhibit. Mr. Malcolm said that even if space had been available it was doubtful if the material for an exhibit could have been transported to the Old Country and assembled in time for this fair. However, the government would see to it that exhibits were entered in all the other important fairs and space would be booked in ample time for the next British industries fair.

"On-again, off-again Finnegan" had nothing on the Canadian government, it is apparent, for the latest development is that Canada will not after all be representeo at the British Industries Fair in February. When The Financial Post first revealed that Canada had spurned the opportunity of showing this country's wares and opportunities at this big fair there was much protest in other Canadian papers. As a result, Hon. James Malcolm, Minister of Trade and Commerce, took upon himself the responsibility of handling Canadian advertising and exhibition work in the Old Country and announced that Canada would show at this big fair. This was a complete reversal of Canadian governmental policy, and was widely hailed as a forward move.

Now it transpires that Canada changed its mind too late and when it came to book space at the B.I.F., found that there was not even a corner where it could hang an apple or stack a bundle of wheat stalks. Mr. Malcolm's assurance that Canada will not miss the opportunities for publicity afforded by future British fairs is encouraging but it seems a reasonable assumption that no very great resourcefulness was shown in the attempts to get a display ready for the British Industries Fair. If the influence of the Canadian government does not suffice to wring a few square feet of space from a big show that was anxious to have Canada participate, it is a remarkable thing. The sorry episode indicates how badly Canada's advertising work overseas has been handled.

Speculators to be Taxed

Basing its policy on a recent decision in regard to the wheat speculation profits of a western grain dealer, the government has ruled that all forms of speculative profits are taxable.

It is the intention to require all investors and traders in securities or commodities to show their profits in such trading and where these are sufficiently substantial to be regarded as a main source of income they will be taxed.

It is said that the income tax authorities will apply the ruling to stock brokers and traders as well as those who only make speculation a side line.

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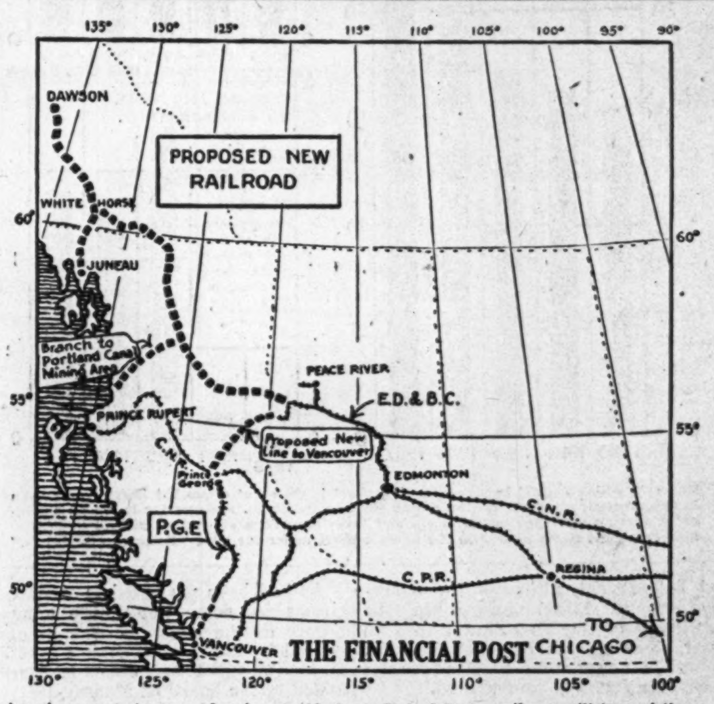
Plan to Connect Chicago and Behring Sea



American promoters are planning an Alaska to United States railway utilizing existing Canadian lines and providing rail connection with the Yukon. The map shows the proposed line. Also illustrated is the much discussed railway to link Peace River with Vancouver, which British Columbia would be glad to have someone build on favorable terms. Objects of the new line to Alaska are to carry out a great pioneering enterprise in Northern British Columbia and Alaska, and to link Alaska more closely to the United States for strategic reasons.

Exchange of Shares is Seagram Proposal

Cash Evidently is Not Involved in Deal Whereby Britons Secure Control at Waterloo

Distillers Company of Canada will form a company under the name of Distillers Corporation - Seagrams with an authorized capital of 2,000,000 shares of no par value and to exchange shares of this new company for Seagram's shares on a share for share basis. The new company will also acquire all the shares of Distillers Corp., share for share. The total capital of the new company involved in these transactions will amount to 1,500,000 shares, leaving in its treasury 500,000 shares. Seagram shareholders who deposit their shares will have the right up to April 16 to purchase from the shareholders of Distillers Corp., at the price of $10 per share one share of the new company for every two shares of Seagram Company.

Stock is Sold Short

Announcement of a deal between Seagram's and Distillers Company came, January 31. The public was not informed as to terms, the directorate holding to the view that the formalities of notifying the shareholders by mail should be observed. As a result of this procedure, the stock has acted erratically. After reaching 31 on January 30, it sold down to 26-7.

The stock on February 1, apparently was subjected to short selling.

Distillers Co. of Great Britain controls Distillers Co. of Canada, which owns and operates a distillery at Montreal. This distillery is reported to be the most modern in the world, with an annual capacity of 3,000,000 gallons. The company plans to modernize the Seagram distillery, it is said, and to take steps to promote the export trade.

Placing Seagram's Canadian rye in the export markets alongside the famous brands of the parent company, will be of advantage to the Canadian business. The parent company owns outright or controls 18 companies in Great Britain, including several of the most noted of the distilleries.

W. H. Ross, O. B. E., is head of the company. W. B. Clelland, vice-president of Distillery Corp. of Canada, will be chairman of Seagram's.

Besides Mr. Ross, directors of Distillers Co. are: T. H. Board, Sir J. C. Calder, C.B.E., A. J. Cameron, Lord Dewar, Hon. J. Dewar, Lord Fortevoit, T. Haig, A. J. Hogarth, W. D. Graham Menzies, William Morrison, R. W. Preston, H. J. Ross, Sir Alexander Walker, A. Walker, Lord Woolavington.

Loblaw's Issues Rights to Holders of Common Stock

One new share for every ten held as at February 18 last, is being offered to its common shareholders by Loblaw Groceterias Co. In all 17,423 additional shares are being issued which, at a cost of $60 a share, will add $1,045,380 to the company's capital. Payment for the new shares will be made in two instalments of $30 each on April 16 and May 16. No fractional shares will be issued.

Proceeds of this issue will be used in part for the payment of the new $750,000 warehouse which the company has practically completed in Toronto. This building is one of the most modern in existence and with the Loblaw penchant for systematic arrangements of goods, it is expected that the profit per dollar of sales will be increased by at least one per cent.

The allotment of these additional shares brings the number of common shares outstanding up to 191,657. For the year ended May 31, 1927, the company earned $3.06 on each share. Business since then has shown a steady increase and it is believed that the company will be able to make an even better showing for the current year on a per share basis.

Value Water Plant at $12,000,000

From Our Own Correspondent

MONTREAL.—The expert employed by the city of Montreal to valuate the Montreal Water and Power Company's plant and assets in the arbitration between the city and the company places a value of $12,000,000 on the property as against the company's valuation of $17,000,000. The board of arbitration will place a value on the property at which the sale will be concluded.

Merger is Rumored for Paton Company

The strength in the shares of the Paton Manufacturing Company, coupled with the appreciation in the Canadian Woollens stock indicates that progress is being made by the Montreal interests which are endeavoring to bring about a merger of several Canadian woollen companies. Included in the plans are Canadian Wollens, Paton Manufacturing, R. Forbes and Company and the Barrymore Woollen Company. It is understood that the negotiations have reached a stage at which the appraisals of the various plants involved have been completed.

Fanny Farmer; Early Dividend is Prediction

An early dividend, earnings of $4.50 per share, and a broader market in Canada, are predicted for Fanny Farmer, half-sister to Laura Secord, and operating a chain of 115 candy shops in the Eastern States. The stock is listed on the New York curb, where it has been somewhat neglected. Canadian interests, aware of its possibilities from watching the progress of Laura Secord, have become interested and a listing on one of the Canadian exchanges is probable.

Since The Financial Post directed attention to this stock, the price has risen from 36 to 43.

New Hotel London, Ont. Does Over 100% Business

An addition to the new Hotel London, London, Ont., is forecast in the near future because, since the opening of the hostelry last summer, occupancy of rooms has been more than 100 per cent. In other words, the 200 rooms not only have been full all the time, but there has been much doubling up.

After paying interest on the first mortgage bonds—the two issues together totalling $875,000—the profit remaining in the first six months is in excess of $40,000. It is probable that a dividend will be paid on the preferred stock this year, although it was understood at the time of the issue that dividends might be deferred for two years. The outstanding 7 per cent. cumulative preferred totals $750,000.

Decision as to possible additions to the hotel rests with the managing director, J. J. Lussier, who has obtained control through purchase of the common stock, in accordance with the original plan. Preferred shareholders are represented by a one-third membership on the board of directors.

WOULD LINK U.S. BY RAIL WITH ALASKA

American Promoters Talk of Great Pioneering Road

WOULD SERVE YUKON

Present Canadian Lines May be Utilized and Great Areas in Northern B.C. Would be Opened Up

A new international railway of great strategic and development possibilities looms up as a possibility. A group of American financiers who are stated to have the support of Washington, are working out a scheme to link the United States and Alaska by rail. As at present, steel is laid from Chicago to the Peace River district, the actual plans of the present promoters cover construction of a line from Peace River to Alaska following the valleys of various rivers in Northern British Columbia and the Yukon territory. The line would link Dawson City and Whitehorse in Canada, and Juneau and other points in Alaska directly with the rest of Canada and the United States. A branch line would be built to serve the Portland Canal mining area but this line would present greater engineering difficulties than the main route because of the more difficult mountain ranges to be crossed.

Foresees Dozen Klondykes

It was pointed out to The Financial Post by one in touch with the new railway promotion that the mineral possibilities along the route are enormous and this gentleman prophesies that a dozen Klondykes will be found by the railway builders. In the valleys of the Finlay and other rivers in the far north of British Columbia are stated to be many thousands of acres of the finest agricultural land ranking in its potentialities with the Peace River country. The climate is stated to be excellent for wheat growing and grazing, being warmed by the Pacific Coast winds and currents. Timber exists in vast commercial quantities.

Washington's sympathy toward the proposal is stated to be based upon strategic considerations although the aims of the promoters are to carry on a great pioneering work, similar to the opening up of the Middle West or the construction of the C.P.R.

In this connection, a most significant paragraph appeared in one of the Wall Street sermons of C. W. Barron, publisher of the Wall Street Journal, who is stated to be in touch with the plans of the promoters. Last week he said:

"Gold in the Klondike, and copper at Kennecott have brought Alaska to the attention of world finance. But there are those who believe that in Alaska, as in California, agriculture will eventually far out-rank the mineral interests.

"Alaska is more than twice as large as Texas, and is capable of producing twice as many cattle.

"During Cleveland's administration, the government bought a thousand reindeer and located them favorably in Alaska. It is estimated that to-day there are in Alaska 100,000 reindeer. Several packing houses are engaged in the shipping of reindeer meat. It is said that the Laplanders have turned from fish to reindeer meat, and have now plenty of clothing from the reindeer skins.

Assure Peace on Pacific

"When in the future, Canada and the United States build a railroad through the now undeveloped agricultural valleys of Alberta and British Columbia into Alaska, and a naval base is established on the Behring Sea, peace on the Pacific will be assured, and there will be no further talk of a possible invasion of the Pacific Coast by any power. For from that point the United States can protect the Philippines and help to keep the peace anywhere in the Pacific.

"No naval ship to-day can round South America, or cross the Pacific and carry fuel enough to return. Indeed, sailing on great circles, it is doubtful if a war ship could be fueled to effectively cross the Pacific.

"One has only to look at Alaska and the Aleutian Islands from the standpoint of the North Pole instead of the Equator, and see what Alaska may mean in the maintaining of peace on the Pacific."

Thus the Chicago to Behring Sea line is to have the significance of a Berlin to Bagdad railway. But it is felt that it will insure Americo-Canadian peace instead of leading to trouble.

The project naturally lends interest to the endeavors of British Columbia to have Peace River linked with Vancouver by direct rail communication. It now seems possible that the Canadian government will return the Peace River block to British Columbia making it possible to utilize this rich prize in land and timber for bonussing a direct line of steel to Prince George, where it could connect with the Pacific Great Eastern if and when the Pacific Great Eastern is complete to Prince George, thus giving the P.G.E. new traffic to tap, relieving the drain that the railway now represents on the financial resources of the province.

Shredded Wheat Profit Increased by $100,000

Shredded Wheat earnings for 1927 were about $100,000 greater than in 1926, according to a reliable authority. This increase is equivalent to 25 cents per share on the 400,000 shares of no-par stock outstanding. The company in 1926 earned $1,468,906, which is equivalent to $3.67 per share. An increase of $100,000 would bring the net earnings to $1,568,000 or about $3.91 per share.

An increase in the dividend on this stock is thought unlikely. The present rate is $3 per share and this payment is considered to be a reasonably generous distribution under existing conditions.

NET PROFITS OF MASSEY'S ARE LARGER

Bradshaw's Appointment as Head of N. A. Life is Puzzling

RECORD HIGH SALES

Balance Sheet Consolidates Massey-Harris and Subsidiaries' Affairs for First Time

Election of Thomas Bradshaw, general manager of Massey-Harris Co., to the presidency of the North American Life, has puzzled that portion of the financial community which has disbelieved reports that Mr. Bradshaw would retire from active control of Massey-Harris Co., to be succeeded by Mr. Jones.

It appears that the job of president of an insurance company and the job of general manager of a farm-implement manufacturing and marketing organizations, would be incompatible should any person, even of Mr. Bradshaw's great and versatile talents, attempt to carry on both actively.

For this reason it is assumed that Mr. Bradshaw gradually will resume his interest in life-insurance affairs.

It is unlikely that the presence of Frank P. Jones on the Massey-Harris board will mean that Mr. Jones will become active in its management, except in an advisory capacity. Important as is the Massey-Harris Co., it is believed that Mr. Jones will prefer not to be tied down to one enterprise.

Supernumary Director

At present, there appears to be a supernumary director in the company. Two were appointed, but only one, so far, has resigned. There may be, of course, a clause which permits the directors to add to their number pending an annual meeting. But nothing of this is stated in the report, which leads to the belief that there will be another resignation before the election of Mr. Gundy and Mr. Jones is confirmed.

Annual report of Massey-Harris Co., which was published last week, showed earnings applicable to dividends on the common stock of $2.69 per share, compared with $2.39 on the basis of present capitalization a year ago.

Gross was $3,866,601, compared with $3,005,220 a year ago. Deductions included $686,630 for depreciation, as against $500,000 a year ago, $685,557 as interest on borrowing, as against $193,151 for 1926. A new item in the income account is the appropriation for loss on receivables, totalling $165,918, but an item for contingencies in exchange, etc., of $100,000 which appears in the 1926 report is omitted from the current report. The appropriation for taxes is down from $200,000 to $151,320. The pension fund gets $27,900, compared with $16,055 in 1926.

Common Dividends

Thus, the net profit for 1927 is $2,149,274, compared with $1,995,768 in 1926. Deducting $846,293 for preferred dividends, it is seen that earnings applicable to common dividends are moderately higher than the earnings so applicable a year ago.

The most notable improvement reflected from the balance sheet is the great increase in the working capital, which has grown from some $20,362,000 in 1926 to $33,164,000 in 1927. This was achieved in part by the steady accumulation of liquids from earnings, but in the main, the change is the result of the flotation during the year of $12,000,000 of 5 per cent. bonds. The proceeds of this issue were used to retire bank loans, to retire the remaining outstanding obligations of Massey-Harris Harvester Co., of Batavia, N.Y., as well as to obviate the contingent liability involved in the bank loans of the controlled company.

Various changes are noted in the balance sheet. Capital assets, include an item of $8,653,101 for lands, buildings and equipment, which is a growth from $5,981,855 at the close of the previous year. Investment in branches is up from $2,534,356 to $2,883,088. The item investments which had appeared in previous reports is missing in the latest; this is explained in the preamble signed by J. N. Shenstone, president, and T. Bradshaw, general manager.

Consolidation of Affairs

"The balance sheet, income and surplus accounts," reads the report, "are for the first time presented as consolidation of the affairs of the Massey-Harris Co., and all of its subsidiaries, and it is proposed to continue this method in future as the one which most completely represents the position of the company. It was not possible to do this heretofore, because a small balance of the capital stock of one of the affiliated companies had not been acquired."

There is a substantial increase in the total inventories of raw materials, goods in process and finished goods valued at cost, not exceeding replacement value. This is now $24,281,425, compared with $18,470,384 a year ago. In this connection, the report of the president and the general manager states that "the control of inventories is peculiarly difficult in the implement industry, because machines are not generally manufactured for firm orders, but sold directly to the consumers and, therefore, the manufacturer performs also the function of wholesale and retail distributor, thus necessitating the carrying of heavy stocks."

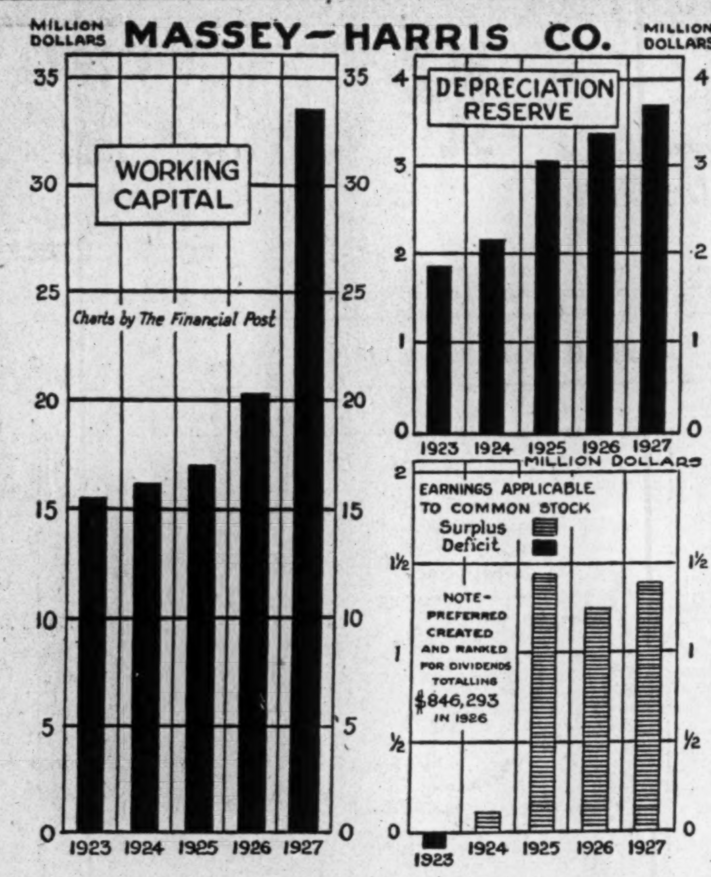
"Then again," continues the report, "the wide variety of lines, the short seasonal periods in which farm implements are used, the widely scattered countries served, the necessity for manufacture and shipment long before the outcome of the crop can be assured, the risk of crop failures with its consequent carryover of machine stocks, all make the problem one of much complexity. On the other hand, the numerous markets served tend to secure more or less uniform sales from year to year."

Bond discount and expenses, including premiums on bonds redeemed, is carried as deferred charge totalling $997,640 and will be amortized during the life of the bonds. On the opposite side of the balance sheet a principal item, of course, is the $12,000,000 of the bond issue which was marketed last summer. The common stock is still carried at $12,089,900, although the shareholders in March authorized the splitting of the $100 shares into no par stock on the basis of four for one. The new common stock carries one vote for each four shares.

Accounts payable are reduced materially, from $6,260,878 to $2,305,076. The reserves and funds shown, include depreciation account of $3,710,731, compared with $3,382,951 a year ago. Other items, for taxes, bad accounts, foreign exchange, pensions, etc., total $7,196,589, compared with $6,762,593 a year ago. As noted in the foregoing, contingent liabilities respecting Massey-Harris Harvester Co., Inc., totalling $1,600,000 for debentures and $250,000 for bank loans, are eliminated.

As had been predicted in financial circles for some weeks, the annual report of the company was accompanied by the announcement that J. H. Gundy and Frank Jones had been added to the board of Massey-Harris Co. Mr. Gundy, it will be recalled, was associated with Mr. Bradshaw in the acquisition of large blocks of the common stock of the company a year ago. Mr. Jones more recently has become interested in the company. J. G. Hassock has retired from the board because of ill health, it is announced.

Sales of the company in 1927 were the highest on record. Exports continue to predominate, but the home market showed the greater relative improvement in the year.



Note: Working capital in accompanying chart is shown at somewhat lower figure than in the company's report, for the reason that, in the chart, reserves for losses on receivables, foreign exchange contingency, and taxes have been classed as current liabilities, although these items appear in the balance sheet under the head "Reserves and Funds."

MASSEY-HARRIS COMPARATIVE PROFIT AND LOSS STATEMENT, 1923-1927
Years Ending November 30

	1923	1924	1925	1926	1927
Gross earnings	$733,807	$1,065,180	$2,346,543	$3,005,220	$3,866,601
Less: Interest	616,087	667,668	480,513	193,151	685,557
Income from the year's operations	$117,720	$397,512	$1,866,029	$2,812,068	$3,181,044
Profit realized from the sale of timber lands	387,129	......	......	......	......
Recovery in cash of assets previously written off	......	......	661,139	......	......
	$504,849	$397,512	$2,527,169	$2,812,068	$3,181,044
Disposed of as follows:					
Approp. for deprec. of plant	$174,708	$282,566	$939,165	$500,244	$686,630
Approp. for possible loss on receivables	233,308	......	......	......	165,918
Approp. for foreign exchange, taxes and contingencies	95,834	......	......	100,000	......
Approp. for income tax	......	......	150,000	200,000	151,320
Approp. for pension and insurance fund	23,446	27,234	26,830	16,055	27,900
Approp. for pfd. div'd pd. (rate 7%)	......	......	......	846,293	846,293
To surplus	$22,448	$87,710	$1,411,173	$1,149,475	$1,302,988
Earned on pfd. after writeoffs as above	no pfd.	no pfd.	no pfd.	16.5	17.7
Preferred dividends paid	no pfd.	no pfd.	no pfd.	7%	7%
Earned on common after writeoffs as above	D.	.36%	5.8%	9.5%	10.7%
Common dividend paid	0	0	0	0	0

D—Deficit.

POSITION IS HEALTHY FOR LANDED BANKING

Report Shows Net Profit of $129,994 for Last Year

The 51st annual report of the Landed Banking and Loan Co., Hamilton and Winnipeg, shows net profits amounting to $129,994, compared with $140,281 the previous year. The appropriations out of surplus, totalling $151,493, include $100,000 for dividends of 10 per cent. on the $1,000,000 of capital, $11,474 for taxes, $15,000 for contingency reserve and $25,018 carried forward.

The balance sheet reflects a healthful condition, with the reserve now at $1,100,000 and a further contingency reserve at $65,000. Savings deposits are up from $1,078,774 to $1,208,103. Currency debentures are up from $416,054 to $480,467, and sterling debentures show a reduction from $355,802 to $349,670.

Real estate held for sale is shown at $205,951, compared with $146,970 a year ago. The principal and accrued interest of mortgages are up from $3,213,696 to $3,420,566. Total assets are shown at $4,343,209.

Rate of Earnings

Year	Paid-up Capital	*Profits	Earned %	Dividend
1913	$ 929,126	$106,243	12.6	7½
1914	978,500	121,472	12.7	8
1915	987,970	128,678	13.2	8
1916	1,000,000	131,084	13.1	8
1917	1,000,000	135,885	13.5	8
1918	1,000,000	129,501	12.9	8
1919	1,000,000	120,598	12.0	8
1920	1,000,000	119,274	11.9	8
1921	1,000,000	121,452	12.1	8
1922	1,000,000	126,478	12.6	8+1
1923	1,000,000	116,840	11.6	8+1
1924	1,000,000	131,180	13.1	8+1
1925	1,000,000	119,880	11.9	8
1926	1,000,000	129,066	12.9	9+1
1927	1,000,000	118,520	11.8	10

*Taxes deducted.

TORONTO MORTGAGE INCREASE

Announcement of an increase in the dividend from 11 to 12 per cent. was the feature of the annual meeting of Toronto Mortgage Co., held on February 1st. This dividend increase was forecast by The Financial Post several weeks ago.

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Men's Blue OVERCOATS

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$44.00

If you wish you may buy on our Budget Buying Plan.

Yonge at Adelaide
TORONTO

Price of Higher Grade Papers Shows Decline

From Our Own Correspondent

MONTREAL.—The price of paper in Canada has declined of late and some of the larger buyers have been successful in obtaining reductions in price as compared with a year ago. The current price of paper on the domestic market affects Howard Smith and Provincial. Neither company manufactures newsprint, the price of which remains the same.

While the producers of fine paper may receive on some lines smaller profits per pound, there is no doubt that demand for higher grades of paper is on the up grade. Price reductions should tend to stimulate consumption.

The reductions in the price of paper in Canada follow similar reductions to the users of fine paper in the United States.

Campbell, Stratton & Co.

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Reply in first instance giving references to Box 160, Financial Post, Toronto.

CITY DAIRY CO. ATTAINS PEAK IN LAST YEAR

Profits Equal $2.97 on New Shares With Other Investments Higher

Earnings of City Dairy, Ltd., Toronto, for 1927, were the largest in the history of the company, it is shown by the annual report which has been published this week. The president, W. J. Northgrave, states that every department of the business has shown a satisfactory increase.

The profit was equivalent to $11.88 on the common shares of $25 par value, or is equivalent to $2.97 per share on the new no-par shares. The total income before preferred dividends was $323,902 for 1927, compared with $278,490 for 1926, $274,330 for 1925, and $285,662 for 1924.

Dividend Doubled

This company in 1927, as in 1926, paid $3 per share ($25 par) as a regular dividend and $1 as an extra in the fourth quarter. With the splitting of the shares, four new no-par for one old $25 par, it is proposed to pay $2 quarterly, $8 annually or exactly twice the dividend of the last two years.

With earnings of $8 per share on the common stock, and with a balance sheet which, in the words of president of the company, is virtually impregnable, it is feasible to begin payments of $2 per share on the stock and it will be possible to maintain these.

In the course of the last year, there has been a material increase in investments, so that earnings as shown only reveal part of the picture. In 1926, investments were given as $1,157,773, whereas in 1927, the total is $1,349,348, an increase of 191,575 in a year. For the first time, the investments are shown in three items instead of one. The holdings of Dominion bonds now now total $760,698, of Ontario bonds $130,555 and of shares of subsidiaries, $458,095.

Cash is Greater

Cash has grown from $137,371 to $194,431, inventories are down $5,000 to $66,800. Goodwill, as before, is carried at $1. Payables are up from $279,668 to $313,929 and surplus is increased from $589,242 to $772,120.

Outstanding capital is somewhat greater, the addition being 500 shares of common of $25 par value or 2,000 shares of the new stock. It will be recalled that these 500 treasury shares were given to Mr. Northgrave by the directors in recognition of his 25 years of service, which were completed in 1926. The announcement of the gift came at the special meeting of shareholders a few weeks ago. Mr. Northgrave evidently had been the possessor of the shares from the second quarter of 1927. Dividends of 75 cents for three quarters, plus the $1 bonus would be $1,625, which is the amount of the increase in dividend payments.

Income and Surplus Account
Years Ending December 31

	1927	1926	1925
Net profits*	$323,902	$278,490	$274,330
Less Appropriations—			
Pref. divds.	49,000	49,000	49,000
Com. divds.	92,025	90,400	67,800
	$141,025	$139,400	$116,800
Surplus for year	$182,877	$139,090	$157,530
Add prev. surp.	589,242	450,152	292,622
Bal. car. forw.	$722,119	$589,242	$450,152

*After depreciation, bad debts and including investment income.

New Interests Rumored for Connecticut Cotton

From Our Own Correspondent

MONTREAL.—It appears to be conceded that the sudden and substantial rise in the preferred shares of the Canadian Connecticut Cotton Mills indicates the entry of new interests into the affairs of the company.

The preferred stock bears 8 per cent cumulative interest, but of late years only 4 per cent. has been paid. Recently this disbursement was discontinued. The company is engaged in the manufacture of tire fabric. Despite the fact that industry is over extended, the company has been able to keep itself in a good liquid position, although earnings have been decidedly poor.

The present strength in the preferred probably indicates one of two things, either a capital reconstruction of one kind or another is in view, or else the control of the company has been acquired by new interests which will bring about some reorganization. As yet, though, it is impossible to obtain any information whatever which would confirm in any way the foregoing suggestions.

Cockshutt Plow Plan is Reviewed

Legal advisers of Cockshutt Plow Co. have before them a plan of reorganization tentatively approved by the board of directors. When the lawyers are through with the documents the scheme of arrangement will be submitted to the shareholders.

One or two merger proposals have been made to the company, but it is known that the directors have decided that the company's worst difficulties are over and that the company now is in position to work out its own salvation.

FARM MOVEMENT IN CANADA TO IMPROVE LIFE ON THE FARM

(Continued from page 1)

not satisfied to accept a lower standard of living than other classes of the community. They are determined to obtain for themselves and their families a fair share of the good things of modern life. They are deeply interested, not only in their present condition, but in the future of rural life, and, being essentially constructive in their outlook, they are anxious to secure such living conditions as will result in building up a worthwhile rural people. They have not objected to the hardships and privations of pioneering, either in the east or the West, but they will resist, to their utmost, any attempt to fasten upon them a permanent inferiority of living conditions. Indeed, they see no reason why such conditions should be necessary. They have wrested their holdings from the wilderness, for the most part they own them, they are free from the handicaps of landlordism and feudalism, and on this basis, they see no reason why an entirely satisfactory rural life should not be built up. A recent writer has suggested that the problem should be solved by introducing into Canada immigrants from middle and Eastern Europe who would be content with a lower standard of living. Such a solution of the problem the farmers of Canada will not tolerate. In my own humble opinion it would be, not only an irreparable national blunder, but a national crime.

Why They Are Dissatisfied

The farm people of Canada are not satisfied with their present conditions. Somehow, they feel, many of the good things of life, to which their proven industry and skill entitle them, have passed them by. The farmers, in addition to the by no means simple task of managing an intricate business, commonly work harder, and longer hours, than most laboring men, and the fact, that, in the West, there are seasonal periods of comparative idleness, does not lessen the truth of this. The farm home is almost of necessity, a part of the farm business, and the women of the farm, in addition to raising their families, are too often compelled to overwork themselves to an extent dangerous to health, and certainly destructive to proper living. Not one out of ten farmers have been able to equip their houses with the conveniences of modern life, and the dozens of labor saving devices which make life easy for town and city women. These things of course cost more in the country than in town, but that is no reason why the farm women, who certainly need them more than their city sisters, should not have them. Rural life is capable of being quite as satisfactory, socially, as town life, but this requires a reasonable leisure, which cannot now be had. As a consequence the girls particularly, leave home as soon as they are educated, to seek positions in town or city, to the further impoverishment of country life.

Seek to Correct Conditions

The determination to correct the present unsatisfactory conditions is the deep motive force behind the farm movement. Of course not all, nor even the majority of the farmers who, East and West, are members of the various farmer organizations, are actuated by, or even recognize clearly, these motives. They are moved by self-interest only. But a very large, and increasing, number who are leaders either locally or in a wider sphere, do recognize the issues and have given themselves freely and unselfishly to the cause of an improved rural life. These are the soul and heart of the farm movement, and these have directed, and will continue to direct, its course.

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Men's Starched Collar Attached Shirts—$2.75

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Total Assets, $245,000,000.
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A General Banking and Foreign Exchange Business Transacted.

THIS STOCK HAS BEEN OVER-SUBSCRIBED BY INVESTORS

New Issue

$1,500,000

Canadian Dredge & Dock Co.
Limited

7% Convertible Cumulative Sinking Fund Preferred Stock
(PAR VALUE $100)

TRANSFER AGENT: National Trust Company, Limited. REGISTRAR: Montreal Trust Company.

Fully paid and non-assessable. Dividends payable quarterly 1st February, May, August and November by cheque negotiable at par at any branch in Canada of the company's bankers (The Canadian Bank of Commerce). Preferred as to cumulative dividends at the rate of 7 per cent. per annum, and as to assets in the event of distribution at $107.50 per share and accrued dividends. Callable in whole or in part at the option of the company on 60 days' prior notice at $107.50 and accrued dividends, or the company may purchase stock for redemption in the open market or by tender at not exceeding $107.50 a share and accrued dividends.

Convertible into common stock at the holder's option on the basis three shares of common stock for one share of preferred.

CAPITALIZATION

	Authorized	To be Issued
7% Convertible Cumulative Preferred Stock (this issue)	$2,000,000	$1,500,000
Common Stock (no-par value)	150,000 shares	50,000 shares

Of the authorized common stock, 60,000 shares are to be reserved against the conversion privilege of the preferred stock.

Mr. D. S. Pratt, President and Managing Director, summarizes from his letter to us as follows:

HISTORY AND BUSINESS: Canadian Dredge & Dock Co., Limited, has been incorporated under Dominion letters patent to acquire through purchase of assets or stock ownership the business and properties of Canadian Dredging Company, Limited, which was formed in 1906 and which has grown to be one of the largest dredging and marine contracting companies in Canada. The operations of the company consist of general dredging work, the construction and improvement of harbors, canals, breakwaters and channel facilities and other marine work on the Great Lakes-St. Lawrence River waterway.

IMPORTANT CONTRACTS: Important works the company has recently completed have been: Section No. 5 of the new Welland Ship Canal for the Dominion Government, at a cost of over $5,000,000; harbor developments at Port Arthur and Fort William; harbor improvements at Port McNicoll and Tiffin, and at Owen Sound in connection with the new grain elevator completed there last year; and various other harbor improvements on the Great Lakes. The company is at present engaged on Section No. 7 of the new Welland Ship Canal, the contract for which will total over $9,500,000, and will require two years' additional work to complete.

PLANT: The company owns a complete dredging and marine contracting plant, including steel dipper, hydraulic and clam dredges, steel marine drills, steel and wooden tugs, and steel and wooden dump, flat, derrick and boarding-house scows. It also owns a complete machine shop at Port Robinson, fully equipped to take care of its repair work.

EARNINGS: Net earnings of the company, after provision for depreciation and income tax, are certified by H. T. Jamieson & Co., chartered accountants, as follows:

Period	Earnings from Operations	Depreciation Charged	Income Tax Charged	Net Earnings
13 months ended Jan. 31, 1925	$174,185.73	$53,358.76	$13,946.24	$106,880.73
Year ended Jan. 31, 1926	183,867.93	49,254.24	14,974.02	119,639.67
Year ended Jan. 31, 1927	318,741.77	69,787.15	23,194.47	225,760.15
11 months ended Dec. 31, 1927	519,943.94	48,571.55	38,650.85	432,721.54

Net earnings as shown above averaged $221,250.52 annually for the four years ended December 31, 1927, and for the eleven months ended December 31, 1927, were equivalent to $28.84 on each share of convertible preferred stock to be presently outstanding.

ASSETS: Properties and plant have been given a depreciated value of $1,878,000 by Hugh Calderwood, naval architect and marine appraiser. Current assets are certified by H. T. Jamieson & Co., at $1,371,850.36 and current liabilities at $445,687.38, giving working capital of $926,162.98, and a working capital ratio of 3.07 to 1. Net tangible assets aggregate $2,807,699.74, equivalent to $187 for each share of preferred stock.

SINKING FUND: An annual sinking fund, beginning May 1, 1929, of 20 per cent. of the net profits after provision for preferred stock dividends, depreciation and income taxes, is provided for the purchase and redemption of the preferred stock at not exceeding $107.50 per share and accrued dividends.

PROTECTIVE PROVISIONS: The preferred stock is the senior security of the company, subject to the right of the company to give security to its bankers, pledge liquid assets in the ordinary course of business and to give, assume, renew or refund purchase money obligations in respect of future-acquired property.

Other provisions safeguard the conversion privilege of the preferred stock against dilution in the event of further issues of common stock.

MANAGEMENT: The management which has been responsible for the success of the company in the past will remain in active charge. Mr. D. S. Pratt, who has very substantial holdings of both the preferred and the common stocks, will act as president and continue as managing director.

PROSPECTS: The company has uncompleted contracts on hand sufficient to keep it fully employed for the next two years, and stands to benefit materially from the opening in 1930 of the new Welland Ship Canal, which will necessitate the deepening of the harbors of Lake Ontario from their present depth of 14 feet to one of 25 feet, in order to accommodate vessels now plying on the Upper Lakes. The undertaking of immense power and navigation works on the Upper St. Lawrence River, foreshadowed in the recent report to the Dominion Government of the National Advisory Committee, should also provide profitable work for the company for many years to come.

We offer this stock for subscription, subject to allotment, when, as and if issued and received by us and subject to the approving legal opinion of our counsel, Mr. W. Kaspar Fraser.

PRICE: $100 and accrued dividend,
with a bonus of one-half share of common stock with each share of preferred

Fractional shares of common stock will be adjusted at $20.00 per share. Dividends will accrue from February 1, 1928, and the first quarterly instalment will be payable on May 1, 1928.

Application will be made to list the convertible preferred and the common stocks on the Toronto Stock Exchange

McLeod, Young, Weir & Company
Limited
Metropolitan Building, Toronto

Murray & Company
Metropolitan Building, Toronto

The above statements are those on which we acted in acquiring this stock, and, while not guaranteed, are obtained from sources we believe to be reliable.

EARNINGS GOOD FOR SEVEN MONTHS OF CHARLES GURD'S

At Present Rate, Profits Should Run at $6.18 Per Share

From Our Own Correspondent

MONTREAL.—The present price of the common shares of Charles Gurd and Company certainly more than discounts the earning capacity of the company, revealed in the annual report covering the fiscal period from June 9 to December 31. The annual report covers only a seven months period, as prior to June the company was privately owned.

The results of the period of operations since public financing was undertaken may be regarded as satisfactory. The income account covering the period under review follows:

Net profit	$96,987
Income tax	6,478
Balance	$90,509
Preferred dividends	17,500
Balance	$73,009
Common dividends	22,250
Surplus	$50,759

xAfter depreciation and income tax. yFor prior period.

The working capital position:

	Dec. 30	June 9
Current assets	$289,453	$218,033
Current liabilities	23,487	15,623
Working capital	$265,966	$202,410

Unfair Comparison

In his remarks to the shareholders, Alex. McA. Murphy, states that at the foregoing rate, the earnings for an entire year would run at the rate of $6.18 per share, as against earnings in 1926 of $5.04. However, he also points out that this would be an unfair comparison because of the seven months period covered by the earnings, includes the four most profitable and active months of the year. On the other hand, however, Mr. Murphy says sales increased something like 17 per cent. over 1926 and that, since the company's shares entered the investment arena, sales have increased 21 per cent. This is attributed partly to a very substantial increase in the sale of dry ginger ale and stone ginger beer, and also to a satisfactory growth in the export business.

The report itself covers the 60th year of business of the firm, and in addition to favorable earnings, the working capital has been increased more than 25 per cent. The policy of the company, according to the president, will be to strengthen further the company's financial position before it makes commitments in the way of additions to property, or increased dividends.

When the public financing of the company was arranged in June, 1927, on the basis of one share of preferred stock, and one half share of common stock at $107 per unit. The common stock has received a very good reception and rose to a new high of 107½ established during the week ending January 28. The rise seems to be due entirely to merger rumors rather than to any betterment in the position of the company.

In view of the seasonal nature of the business, it is exceedingly difficult to estimate whether an actual increase has been made in earnings this year or not.

Earnings Maintained

At least it can be assumed that earnings have been well maintained throughout the year and that if the full twelve months period were shown, the earnings which last year amounted to $5.04 per share would have been maintained. It is encouraging, also, to notice that the company is making a drive in export markets which should enable it to operate more evenly throughout the year. Another interesting factor has been the increase in sales since the company made its public stock offering; it can be presumed that this increase will be maintained in the future.

HIGHER ACCOUNTING

leading to every known degree granted by accounting associations in Canada is offered in form of a Revised Extension Course under the personal direction of W. S. Ferguson, C.A., through the Shaw Schools, Bay-Charles Sts., Toronto. Address Dept. P for particulars.

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46 King St. W., Toronto

Montreal Tunnel Mooted Once More

From Our Own Correspondent

MONTREAL.—That perennial scheme for linking Montreal with the South Shore by means of a tunnel under the St. Lawrence River is once more before the Quebec legislature. In the past, similar bills have regularly been turned down. The present group are asking for incorporation at the present session under the name of the Montreal Terminals. The capital stock of the company is fixed at $1,000,000. In spite of the fact that Quebec laws prohibit it, the company is asking that railways may loan their credit to the company or subscribe to its stock.

The promoters of the scheme are C. N. Armstrong, J. E. Wilder, F. E. Crane, John Irwin, D. Ross Dobbin, and Earl Owens of Montreal, together with F. H. Allen of New York.

STATE OF MARKET DRAWS ATTENTION ROUND STEEL CAR

Company is Expecting Large Orders From C.N.R. and C.P.R.

From Our Own Correspondent

MONTREAL.—In view of the present market interest in National Steel Car, the prevalent reports regarding the company's position are causing an interest in investment circles. In the first place, the present interest is probably accentuated by the fact that the Canadian National Railway has asked for tenders on several hundred cars of various types and, in addition, it is understood that both the C.N.R. and the C.P.R. may be placing additional orders for equipment before the next six months have elapsed.

National Steel Car ends its fiscal year in June and holds its annual meeting in September. It will be remembered that at the last annual meeting in 1927 the company's profits increased 91 per cent. over the preceding year. As no dividends were paid the administration wrote off something like four times the usual amount for depreciation. No particular reason was given for this action except that President Mager stated that this would bring depreciation reserves to approximately forty per cent. of the total plant value.

The interesting feature of the report was that if depreciation had been written off at the same rate as in previous years there would have been surplus earnings equivalent to $1.57 on the 100,000 no par value shares outstanding.

For the first two months of the present fiscal year the company operated in a very substantial way and in addition the C.P.R., which had previously not given very much business to the company, divided last month a $3,000,000 equipment contract between the National Steel Car and Canadian Car & Foundry. Although this was a small order as equipment orders go, nevertheless it was the most substantial thing that has been given out for some time and the fact that National Steel Car shared in this business is additional evidence that the operations for the present year should be on a very satisfactory scale.

The railway equipment business in Canada, though, will always be a feast or famine affair, thus giving a decidedly speculative tinge to all securities of the companies engaged in this industry. The shares of the National Steel Car have already experienced a substantial rise from the figure at which a large block of stock was recently acquired from U.S. interests and distributed on the Canadian market.

HOME OIL COMPANY DECIDES TO ENTER DISTRIBUTION FIELD

Company is Forming Subsidiary Marketing Corporation for Western Canada

From Our Own Correspondent

VANCOUVER.—One of the most important steps in the development of the Canadian oil industry has been taken on the Pacific coast in the decision of the Home Oil Co., Ltd., originally organized to explore the Turner Valley, to enter the distribution field. The company is forming a subsidiary marketing corporation to be known as the Home Oil Distributors, Ltd., and its field of operation will ultimately be extended throughout Western Canada, with tanks and service stations in all the principal centres of consumption.

The Home Oil Co. has acquired control of the Vancouver Oil Co. plant at North Vancouver as a base of operations here and distribution will be through independent dealers. One hundred and fifty gasoline pumps will be installed at various points on the lower mainland of British Columbia and on Vancouver Island.

Operations of the Home Oil Co. during the past year have been spectacularly successful and have rewarded its backers, mostly British Columbia men, bounteously. The company was organized here in 1925 and the following year commenced drilling in the Turner Valley, Alberta. On June 9, 1927, at a depth of 4,560 feet, the well "came in," yielding a flow of 7,500,000 cubic feet per day of natural wet gas carrying a substantial content of high-grade crude oil. The product was turned over to the Imperial Oil, Ltd., which consented to carry on further drilling on the property and operate on a basis deemed eminently satisfactory to the original stockholders. Since then the directors have been looking for an avenue for further development and entry into the distributing end of the business is the result.

W. C. Shelly is president of the Home Oil Co., and with him are associated Lieut.-Col. Nelson Spencer, vice-president; C. V. Cummings, Stanley Burke, Major-General J. W. Stewart, W. H. Malkin, J. W. de B. Farris, and George S. Harrison, secretary. These men are all on the board of directors. Other big shareholders are Pat Burns, E. P. Davis, K.C., W. J. Blake Wilson, Dr. B. D. Gillies, Arthur J. Hendry, A. L. Hager, Major-General A. D. McRae, A. R. Mann, Brig.-General Victor Odlum, James Ramsey, J. H. Roaf, Lieut.-Col. Victor Spencer, Chris. Spencer, Major Austen C. Taylor and J. H. Woods.

Shaughnessy Heights South, a new residential subdivision adjoining Vancouver's most exclusive home section, has been thrown open by the Canadian Pacific Railway Co.

He Finds Forecasts Exceptionally Good

Editor, The Financial Post:

I feel very much indebted to you for your criticisms of my investment list.

I am a constant reader of The Post and have a great deal of respect for your opinion and frank criticisms, and have found your judgments and forecasts in the past to have been exceptionally good.

—A Nova Scotia bank manager.

EXCELLENT YEAR IS LATEST REPORT OF ONTARIO LOAN

Earnings of 16.5% Are Greatest in History of Company

Ontario Loan & Debenture Co., London, Ont., reports another excellent year for 1927, earnings being at 16.5 per cent., the greatest in the history of the company, while the amount of deposits, outstanding debentures and mortgages likewise has grown.

Profits on the $1,750,000 of paid-up capital were $289,334 after taxes. The dividends of 12 per cent.—a rate inaugurated during the year—required $210,000 of the surplus and an additional $75,000 was placed in the reserve fund, bringing that fund to $2,800,000, or $1,050,000 in excess of the paid up capital.

The company carries its office premises on its books at $40,000. Real estate held for sale is down from $47,245 at the close of 1926 to $27,863 at the end of 1927. The principal and interest of mortgages is up from $7,073,178 to $7,884,468. Loans on stocks and bonds have been increased from $34,324 to $547,406. Securities are valued at some $3,300,000 and the total assets are $12,346,992.

Sterling debentures are down from $1,011,580 to $877,795, but currency debentures, on the other hand, are up from $3,673,768 to $5,144,983. Deposits show a great increase from $928,760 to $1,647,612, but the report signed by the president, A. M. Smart, points out that this large increase is mainly due to some special deposits of a temporary nature. The profit and loss balance carried forward is $74,101.

Rate of Earnings

Year	Paid-up Capital	*Profits	Earned p.c.	Div.
1913	$1,750,000	$253,733	14.5	8½
1914	1,750,000	254,788	15.0	9
1915	1,750,000	264,365	15.5	9
1916	1,750,000	261,082	15.3	9
1917	1,750,000	254,610	15.0	9
1918	1,750,000	250,739	14.7	9
1919	1,750,000	246,182	14.4	9
1920	1,750,000	251,029	14.8	9+1
1921	1,750,000	289,591	16.5	10
1922	1,750,000	270,706	15.9	10+1
1923	1,750,000	265,580	15.6	10+1
1924	1,750,000	273,340	16.0	11
1925	1,750,000	269,245	15.3	11
1926	1,750,000	282,152	16.1	11
1927	1,750,000	289,334	16.5	12

*Less income tax.

WARNER AND COMPANY

From Our Own Correspondent

MONTREAL.—The opening of a new branch office in Ottawa is announced this week by Warner & Company, investment bankers, Montreal. The office will be in charge of S. I. Dinwoodie, who has been for some time the Ottawa district representative of this company.

C.P.R. NET PROFIT FOR 1927 PERIOD FALLS BELOW 1926

This Decrease is Due Entirely to Higher Operating Expenses

From Our Own Correspondent

MONTREAL.—For the first time since April, 1927, the Canadian Pacific Railway in December has been able to show an increase in net earnings as against the corresponding month for 1926. For the month, net earnings were $56,983 more than the corresponding earnings in 1926, despite an increase in working expenses, amounting to $918,286.

Adding the net earnings to the other eleven months of 1927, the figures show that the net was $5,429,565 below 1926. According to the figures, this decrease is due entirely to higher working expenses which this year were $8,549,715 higher than for the year 1926. To offset somewhat this increase in working expenses, the gross revenues of the railway for 1927 have been increased by $3,120,160, which accounts for the decrease in the net figure.

Interpreting this decrease in terms of the company's shares is difficult, as these net earnings only comprise a part of the company's total revenue the other part, of course, coming from special income account, which includes the revenue from investments, ocean steamship lines, telegraphs and hotels.

In 1926, the C.P.R. earned from special income $11,056,270 as against net earnings from the railway account of $44,945,126. This year, however, the company is expected to increase its earnings from special income account due to increased business on its ships and also to the continued increase in the revenues from its tremendously valuable investments in such companies as Consolidated Smelters.

Therefore, although the C.P.R. will only have some $39,515,000 from the operations of the railway from which to meet fixed charges, yet increased earnings from special income should go a long way towards making up the decreased profits from the actual operation of the railway property.

BETTERMENT SHOWN BY MUTUAL FINANCE

Gain Reported of $18,000 After Payment of Deferred Dividends

Balance sheet of Mutual Finance Co., Windsor, shows surplus and deferred profits totalling $268,000, at the end of 1927, compared with $250,000, at the close of 1926, indicating a gain of $18,000 after payment of preferred dividends, and deductions for depreciation, deferred charges, etc. A further $18,188 was written off the deferred charge to operations account, bringing that item down to $59,000. In 1921, the account stood at $178,113.

Investments in improved property, mortgages and securities, increased during the year from $2,605,882 to $2,803,809. Accrued interest receivable total $20,632.

The liabilities to the public consist largely of mortgages payable on real estate, total $1,637,850, on which there was at December 31, accrued, but not due, interest amounting to $27,925.

REAL HARRIS TWEED

The aristocrat of all sports wear—direct from makers. Suit-lengths by mail, $2.00 per yd. Single width. Samples free.

NEWALL 391 Stornoway, Scotland

WILTON C. EDDIS & SONS

Established 1895

CHARTERED ACCOUNTANTS

Federal Building, Toronto

Transfer Agent and Registrar for Stock

Offers experienced services at moderate charges.

Crown Trust Company

EXECUTORS TRUSTEES AGENTS

SAFETY DEPOSIT VAULTS

233 St. James Street

MONTREAL

Leadership Imposes Obligations

SHORTLY after Bell invented the telephone the manager of this Bank's branch at Hamilton was given permission "to place his office, by means of the telephone, in communication with the Dundas office, The Great Western Railway Company and his home."

The introduction of improvements to promote and safeguard our customers' interests, to save their time and to give them the pleasures as well as the advantages of banking, has been accepted by this Bank as a privilege and a responsibility. So, work goes on daily on new and improved services.

The fact that people we have served over a period of 60 years find our progressive service of real benefit suggests that it might be equally valuable to you.

THE CANADIAN BANK OF COMMERCE

Capital Paid Up - - $20,000,000

Reserve Fund - - $20,000,000

NEW ISSUE

$1,500,000

Restigouche Company, Limited

5½% First Mortgage 20-Year Sinking Fund Gold Bonds, Series "A"

Guaranteed by

Fraser Companies, Limited

Dated February 1st, 1928, maturing February 1st, 1948. Principal and semi-annual interest (February 1st and August 1st) payable in Canadian gold coin or its equivalent at The Royal Bank of Canada, Montreal, Quebec, Toronto, Halifax, Saint John, Charlottetown, Ottawa, Hamilton, Winnipeg, Regina, Calgary, Vancouver or Victoria; or, at the option of the holder, at the Agency of The Royal Bank of Canada, New York, in United States gold coin or its equivalent, or in Sterling at The Royal Bank of Canada, London, England, at the rate of $4.86 2/3 to £1. Coupon bonds of $1,000 and $500 denominations, with privilege of registration as to principal. Redeemable as a whole or in part, at the option of the Company, at any time on sixty days' notice, at a premium of 5% up to and including January 31st, 1929; thereafter up to and including January 31st, 1947, at a premium of 5% less ¼ of 1% for each calendar year or part of a calendar year comprised in the period from February 1st, 1929, up to and including the date of redemption, and after January 31st, 1947, until maturity without premium; in each case with accrued interest. Trustee: Montreal Trust Company, Montreal.

CAPITALIZATION

	To be Authorized	To be Outstanding
First Mortgage Sinking Fund Gold Bonds	$5,000,000	$1,500,000*
Common Shares (no par value)	250,000 shs.	250,000 shs.†

*Series "A", 5½%.

†All owned by Fraser Companies, Limited.

Descriptive circular, copies of which will be supplied upon request, contains a letter from Mr. Archibald Fraser, President of Restigouche Company, Limited, from which he summarizes:

THE COMPANY: Restigouche Company, Limited is incorporated under the laws of the Province of New Brunswick—its name having been changed from that of Stetson, Cutler & Company, Limited, by Supplementary Letters Patent. The Company is controlled through ownership of its entire capital stock by Fraser Companies, Limited, which, with its wholly-owned subsidiary Fraser Paper, Limited, is one of the largest Canadian manufacturers of high-grade sulphite papers and bleached and easy bleaching sulphite pulp.

Restigouche Company, Limited, is itself one of the largest manufacturers of and dealers in Eastern Canadian forest products.

PROPERTY AND ASSETS: The Company controls under lease from the Province of Quebec 286 square miles, and under lease from the Province of New Brunswick 1,009½ square miles of timberlands situated on the watersheds of the Restigouche, Tobique and Green rivers and their tributaries.

These timber areas, which are exceptionally well wooded, are estimated to contain approximately 7,000,000 cords of pulpwood.

The Company also owns a large sawmill property at Athol (near Campbellton, N.B.) with annual manufacturing capacity of 30,000,000 feet b.m. of spruce lumber and 25,000,000 laths.

PURPOSE OF ISSUE: The proceeds of this bond issue will be used to provide part of the cost of retiring the presently outstanding $2,231,500 7% First Mortgage Bonds of Stetson, Cutler & Company, Limited.

GUARANTEE: The bonds will be guaranteed by Fraser Companies, Limited, as to the payment of principal, interest and sinking fund, by endorsement on each bond.

Plants, properties, timber lands and other fixed assets owned by Fraser Companies, Limited, and its subsidiary (excluding any value for its investment in Restigouche Company, Limited), after deducting depreciation and depletion reserves are certified by George A. Touche & Co., Chartered Accountants, as having a book value at July 31st, 1927, of $19,013,085; and net current assets as at the same date were $4,337,471, giving a total of $23,350,556, equivalent, after deduction of First Mortgage Bonds and Debentures of Fraser Companies, Limited, to more than $7,000 per $1,000 guaranteed bond of Restigouche Company, Limited.

Average annual earnings for the four years and seven months ended July 31st, 1927, of Fraser Companies, Limited, and its subsidiary (exclusive of any earnings of Restigouche Company, Limited) based on the annual earnings after deducting operating and maintenance expenses, local taxes and all interest charges, including interest charges on the First Mortgage Bonds and Debentures of Fraser Companies, Limited, and available for depreciation, depletion and income tax, and interest charges on the 5½% First Mortgage Bonds of Restigouche Company, Limited, were $432,187, as against $82,500 being annual interest charges on the bonds of Restigouche Company, Limited, to be presently outstanding.

Net earnings available for interest charges on the 5½% First Mortgage Bonds, Series "A", of Restigouche Company, Limited, on the above basis for the year ended December 31st, 1927 (subject to audit) were $773,156, equivalent to over nine times annual interest charges on the 5½% First Mortgage Bonds, Series "A", of Restigouche Company, Limited.

SINKING FUND: The Trust Deed will provide for an annual cumulative sinking fund commencing February 1st, 1931, of 2% per annum on all bonds issued thereunder, together with interest on bonds previously redeemed.

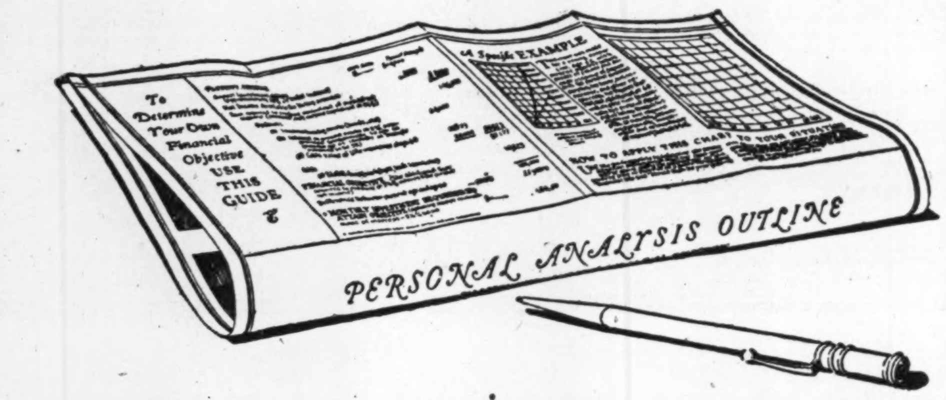
We offer these Bonds for delivery if, as and when issued and received by us and subject to approval of our counsel of all proceedings, at—

99 and accrued interest, to yield over 5.55%

Royal Securities Corporation, Limited

MONTREAL TORONTO HALIFAX SAINT JOHN QUEBEC WINNIPEG VANCOUVER NEW YORK CHARLOTTETOWN OTTAWA HAMILTON CALGARY REGINA VICTORIA ST. JOHN'S, NFLD.

The above statements are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.



Where do *You* stand financially?

MOST men go along with an approximate and often an erroneous idea of their net worth. And they have no definite plan for building a sufficient surplus eventually to provide an adequate income independent of their personal earning power.

If a few minutes spent in filling out a prepared form would give you a statement of your personal financial standing—wouldn't you think it worth the time? And if the working out of this statement showed you just how much you need to invest in bonds each year, at various rates of interest, to accumulate a desired surplus at a certain time of life, wouldn't that be worth knowing?

The blank form, chart and tables for defining your present financial situation and your required financial objective is contained in a folder with full instructions, which we would like to send you, without obligation.

Write for Folder

HALSEY, STUART & CO.

INCORPORATED

Chicago, 201 *S. La Salle St.* New York, 14 *Wall St.* Philadelphia, 111 *South 15th St.* Detroit, 601 *Griswold St.* Cleveland, 925 *Euclid Ave.* St. Louis, 319 *North 4th St.* Boston, 85 *Devonshire St.* Milwaukee, 425 *East Water St.* Minneapolis, 608 *Second Ave. S.*

Competent Investment Service by Mail

For investors who live at too great a distance from our offices to be called upon by our representatives, we maintain a competent staff, trained to give as effective and satisfactory service by mail as could be rendered through personal contact. Write to our nearest branch office if you are interested in knowing the full details of this service.

THE TORONTO GENERAL TRUSTS CORPORATION

A Year of Marked Expansion Shown by 46th Annual Report. Remarkable Progress and Development in all Departments of Corporation's Activities

Hon. N. W. Rowell, K.C., LL.D., President, and W. G. Watson, General Manager, Review Conditions at Annual Meeting of Shareholders — New Confidence in Canada's Present Prosperity and Future Progress

The Forty-Sixth Annual General Meeting of the Shareholders of The Toronto General Trusts Corporation was held at the Head Office of the Corporation at Toronto on Wednesday, the first day of February, 1928, at 12 o'clock noon. The President, Hon. N. W. Rowell, K.C., LL.D., presided, and Mr. H. M. Forbes, Assistant General Manager, acted as Secretary of the meeting. Mr. W. G. Watson, the General Manager of the Corporation, submitted the Annual Report for the year ended December 31st, 1927, accompanied by the usual statements showing the result of the operations for the year.

ADDRESS OF THE PRESIDENT

The past year has been a notable one in the history of Canada. The Diamond Jubilee marked the closing of a great chapter in Canadian history and the opening, we confidently believe, of a still greater one.

The agricultural production of Canada, of which the wheat crop of Western Canada is a striking illustration, the remarkable expansion in the mining industry, the ever-increasing development of our water powers, the increased output of our manufacturing industries, the steady growth of our domestic and foreign trade, the increase in our savings bank deposits, and in the general investments of the Canadian people, are such convincing evidence of the solid basis upon which Canadian progress and prosperity rest that even the pessimists are now convinced of Canada's present prosperity and of the great future which awaits us. The new spirit of confidence everywhere manifested is one of the most significant and hopeful developments of the past year.

The celebration of the Sixtieth Anniversary of Confederation evoked such expressions of national sentiment, of national unity and of national confidence as in themselves would have made the year 1927 memorable.

INTERNATIONAL RECOGNITION OF CANADA

The year also witnessed an Imperial and international recognition of Canada which should strengthen and confirm the confidence of Canadians in the great future of their country as a member of the British Commonwealth of Nations. I refer more particularly to the visit of Mr. Baldwin, the Prime Minister of Great Britain, the election of Canada to a seat on the Council of the League of Nations, and to the sending of a Canadian Minister to Washington and the arrival of a United States Minister at Ottawa. This exchange of Ministers between Ottawa and Washington should help to promote and maintain the most cordial relations between Canada and the United States and to facilitate the transaction of the important and ever-increasing volume of business between the Governments at Ottawa and Washington, the satisfactory conduct of which is so important to both countries.

Canada has entered upon the year 1928 with a new and sane confidence in her own future. It is to be hoped that this new confidence will not be used as a basis for wild speculation, but rather for continued and solid progress.

GROWTH OF CORPORATION'S BUSINESS

The past year has also been a notable one in the history of the Corporation, which is steadily becoming more truly national in its operations. We have shared in the general improvement in Canadian business, and the management and your directors have carefully considered the further steps which the Corporation should take to make its contribution to the economic development of Canada on sane and conservative lines.

As our General Manager will deal with the Annual Statement in detail, I shall only comment on two or three features which illustrate the steady growth in the business of the Corporation.

The normal new business undertaken during the year was the largest in our history, amounting to $21,721,000, which is $2,600,000 greater than in 1926, and $5,109,000 greater than in 1925. During the year the Corporation distributed assets under administration to an amount in excess of $10,000,000, but notwithstanding this large distribution, the assets now under the administration of the Corporation amount to $169,812,000, or $10,000,000 more than in 1926. The profits of the Corporation were the largest in its history. I am sure these results will be gratifying to the shareholders, and indicate that your Corporation is sharing in the general progress and prosperity of Canada.

In 1924 the Corporation purchased an office building in Saskatoon, but until the present year our mortgage lending business in Saskatchewan was handled in the Winnipeg office. The developments in recent years in the Province of Saskatchewan and the great future which undoubtedly lies before that Province led your Directors to decide to transfer its mortgage lending business in Northern Saskatchewan from Winnipeg to Saskatoon and to enlarge the staff at that office so as to provide the best possible service in the handling of all classes of trust company business. This transfer was made during the year, and a representative Advisory Board has been appointed at Saskatoon, composed of Mr. W. A. Gilchrist, K.C., Mr. A. H. Hanson, Dean W. O. Rutherford and Mr. Roy H. Bowman. Your Directors are confident that the change will enable your Corporation to better serve the interests of that great Province.

NEW BRANCHES ESTABLISHED

Prior to 1927 the Corporation had not loaned extensively in the Province of Alberta, nor had it been engaged in general trust company business there. Alberta is undoubtedly destined to be one of the greatest of our Canadian Provinces, and your Directors decided that the Corporation should take a more active and practical interest in the developments in Alberta. A commencement has been made by opening a loaning branch of the Corporation in the City of Edmonton.

The growing intimacy of financial relations between Montreal and Toronto, and the increasing volume of business of clients of the Corporation who have interests in the Province of Quebec, led your Directors to decide to open an office in the City of Montreal. The office is well situated on St. James Street, and the results of the eight months' operation have exceeded the expectations of your Directors. The Corporation is now in a position to handle all classes of trust company business in the Province of Quebec.

In 1912 the Corporation moved into its present premises on Bay Street. The total assets under administration at that time amounted to $45,086,000. In 1927 the assets under administration had increased to over $169,000,000, or 276 per cent. This great increase in volume of business has compelled your Directors to consider the question of securing increased office accommodation. It is fortunate that when the decision was made to move to the present site a larger area was purchased than was required for the erection of the present building. The Corporation owns in the rear of its present building a suitable site for the necessary extension to its office premises. Your Directors, after most careful consideration, have decided to erect an addition to the present building which will contain approximately 20,000 sq. ft. of office space. This addition will provide ample accommodation for the business of your Corporation for some years to come, and any office space not required by the Corporation for its present needs can be readily rented.

The capital stock of the Corporation at the present time is $2,000,000, with a reserve fund of $2,600,000. In view of the expansion of the business of the Corporation, and to provide funds for the erection of the new building, your Directors have decided to increase the capital stock by $1,000,000, and a by-law for this purpose will be submitted for your approval. The by-law provides that the stock is to be issued and allotted from time to time as the Directors may determine, but any new shares which the Corporation decided to issue must be first offered to the present shareholders of the Corporation, pro rata, according to the shares held by them, and that it shall be issued and allotted to others only after such offer has not been availed of.

NEED OF CORPORATE TRUSTEE IN COMMERCIAL LIFE

The expansion in business and the increase in wealth of the Canadian people are strikingly evidenced by the Government returns and by the financial statements of the leading financial institutions of Canada for the year 1927. Never were the services of a reliable and efficient trust company more needed than to-day. The incorporation, reorganization and consolidation of business corporations, which is in evidence on every hand, requires the services of trust companies as trustees for bond issues and as transfer agents and registrars for stock issues. This branch of the Corporation's business has shown a marked expansion during the past year, and we confidently anticipate its steady growth during the current year.

INCREASING OPPORTUNITIES FOR PUBLIC SERVICE

It is becoming an increasing practice of men of means to create trusts during their lifetime for those who are dependent on them, and to have the funds set aside and invested by responsible trust companies. Your Corporation has been entrusted with a large volume of this class of business, and it is a kind of business which is bound to increase. But the distinguishing feature of the business of this Corporation, from its establishment as the pioneer Trust Company of Canada, has been the management of estates of deceased persons. With the increase in numbers and in wealth of our Canadian people, the services of the Corporation will be increasingly in demand.

In my annual address a year ago I pointed out:

> "The Corporation, which never dies, and which has an efficient staff with all the knowledge and capacity which come from long experience in handling estates, is peculiarly fitted to discharge the important and responsible duties of managing the estates of deceased persons and protecting the interests of the widow and orphan. That this is being appreciated by the public of this country is shown not only by the steady expansion and growth of your Corporation, but by the ever-increasing number of wills deposited with your Corporation by those who have chosen to name it as the Executor and Trustee of their estates."

This is even truer to-day than it was a year ago. The prospects for new and increasing opportunities for such public services as trust companies can render were never more promising than to-day.

I desire, before closing, to express my appreciation of the co-operation and assistance of the Vice-President and other members of the Board of Directors of the Corporation and of all our Advisory Boards, and to pay a tribute to the ability and fidelity with which the General Manager and the entire staff have served the interests of the Corporation.

The President then called upon Mr. W. G. Watson, General Manager, to address the meeting.

ADDRESS OF W. G. WATSON, GENERAL MANAGER

The financial statements for the year ended 31st December, 1927, which have just been submitted to you, mark the closing of the forty-sixth year in the history of your Corporation. It has been a year in which the Corporation has made substantial progress in all departments and extended its services into new fields, as the President has intimated in his address. I trust the results of the year's operations will be satisfactory to our many shareholders scattered throughout Canada and other lands.

In new business assumed, as also in net earnings, the year 1927 surpassed our former best record. Our total assets or resources as at the 31st December, 1927, amounted to $169,812,968.11, or a net increase for the year of $10,000,303.84. This increase, as you will observe from the Assets and Liabilities Statement, is distributed through the three sections comprising our assets statement, viz.: our own capital and reserve, the guaranteed funds held in trust, and the estates, trusts and agencies under administration by the Corporation, each group of assets being kept distinctly separate and apart from the other.

The other net profits for the year, after making provision for all ascertained and anticipated losses, were $401,158.22, being an increase over the preceding year of $11,079.08, enabling us, after paying the usual dividend of 12%, making provision for tax requirements and writing off an unusual expenditure made during the year for vault and office equipment at Head Office and Branches, to carry forward $228,831.65, which increases the amount at credit of Profit and Loss over the preceding year by $92,372.49.

Our mortgage investments in Ontario on all accounts amounting to $21,433,838.75 continue to show a very healthy condition of business in this Province as reflected by the fact that in respect of this very substantial volume of mortgage loans, only $26,180.27 of interest was in arrear as at the end of the year.

IMPROVED CONDITIONS IN WESTERN PROVINCES

In Western Canada we have over $8,000,000 under investment in mortgage loans and the situation at this date as to interest in arrear shows some improvement over that of a year ago, notwithstanding the fact that the harvesting of the crop, and consequently the marketing, were greatly delayed through unfavorable weather.

While sales of properties in Western cities have shown a noticeable improvement during the year and enquiries for farm lands have, on the whole, been more numerous, nevertheless owing to the unfavorable condition of the roads for motoring occasioned by almost incessant rains during the Spring and Summer, the volume of farm sales was not as large as mortgage lending companies had hoped for in the early months of the year. The prospects for 1928 would seem to indicate not only increased activity in farm lands, but also a substantial increase in sales of city real estate.

In the rural districts of the West, greater care is being exercised in the selection of seed grain and stock, and more scientific methods of cultivating the soil are being adopted by an increasing number of farmers encouraged in this good work by Governments, Universities, lending companies and others. An unusual amount of new breaking was done last year, particularly in districts largely settled by people from the European continent who have friends and relatives coming to Canada and find this a convenient and extremely satisfactory way of keeping the newcomer remuneratively employed until he learns something of our Canadian methods of farming. This, together with a larger area under summer fallow than in the previous year, a rain saturated soil, followed by heavy snowfalls, should at least provide the basis for a promising crop in 1928.

PROGRESS IN BRITISH COLUMBIA

British Columbia is making real progress in her industries, and Vancouver as a port is rapidly forging ahead, particularly in the matter of the shipment of grain. In 1926 approximately 45,000,000 bushels of grain were shipped from this port and it is confidently predicted by port authorities that during the 1927-28 crop year no less than 70,000,000 to 75,000,000 bushels of grain will pass through this port.

In our Western cities new channels of trade and commerce are breaking out as the wealth of the West increases and mining and other industries develop. Water-power plants, pulp and paper mills, railway construction, etc., all have their influence upon city planning and building which is easily apparent to the visitor who travels annually through these Provinces on tours of inspection.

It is true, therefore, that in the West, conditions continue on the whole to improve in both city and country. Each succeeding year of late finds our Western farmer in a new advanced position, which he is for the most part endeavoring to consolidate by a careful appropriation or use of his income.

It is reported that in 1900 the World's wheat production was 2,663,440,000 bushels, and the estimate for 1927 is 4,231,000,000, or an increase of 1,567,560,000 bushels, being 59%. In Canada, however, our wheat production increased during the same period from 55,000,000 bushels to 440,000,000, or an increase of 700%, while the increase in the United States went from 602,708,000 in 1900 to 826,000,000 in 1927, or 37%. In other words, Canada's increase in wheat during these years represents approximately 25% of the world's total increase, as against the United States 14% of such growth. These figures cannot but inspire faith in our future and are only an earnest of what the coming years hold for us in material advancement as great areas of arable land still remain unbroken.

It is significant that Canada produced in 1927 the second largest crop in her history, being exceeded only by that of 1923.

BRIGHT PROSPECTS FOR CANADA'S TRADE IN 1928

As to the extent of our Canadian trade at home and abroad—the rapid development of our natural resources—the increase in output of our great manufacturing and other industries—the expansion in building throughout Canada—the growth in bank deposits and insurance and loan company assets, I shall not weary you with figures concerning these as they have already appeared in so many bank and other reports and reviews during the month of January, but content myself in saying that we have all the elements present that should make 1928 for Canada a year of real expansion and progress.

INCREASING APPRECIATION OF TRUST COMPANY'S SERVICES

I should, perhaps, add that the Trust Companies in Canada are keeping well abreast of other financial institutions in development. While it is very difficult to get complete returns covering all our trust companies, it will be of interest to you to know that the twenty-five companies registering in the Province of Ontario, including those with head offices in other Provinces, showed total assets of $1,047,824,277 as at the 31st of December, 1926, or an increase for that year of $80,769,764, as compared with an increase during 1925 of $54,674,047.

The figures, of course, for 1927 are not available as yet. It is, however, safe to say that these will mark a very substantial increase over the progress made during the preceding year. The funds on deposit with the aforementioned trust companies on guaranteed and savings accounts alone, as at the 30th of September last, stood at $92,502,017, or an increase over the corresponding period of 1926 of $20,340,632. These figures are the more significant when it is remembered that our Canadian trust companies do not engage in commercial banking as, for instance, many of the American trust companies do, so that in the main our deposits are of a more permanent character, representing for the most part the savings of the people.

Impressive as are the foregoing figures, they do not tell the full story of the development that is taking place in trust company affairs. More and more the public is showing its appreciation of the value of the corporate executor and trustee and this has been particularly marked during the last three years, as evidenced by the increasing number of wills filed for safe keeping. If to this increasing number is added the much higher average value to which the present day estate attains, one cannot but appreciate the possibilities for the future development of the efficiently managed trust company.

Wealth is increasing yearly not in a few hands as in earlier years, but in many hands, and with the growing complexity of business enterprises, there is no doubt as to the advantages of the corporate executor and trustee which has at command in its Board of Directors, Officers and others, the best judgment available upon almost any business or legal problem.

Then again, in the rapid development of business enterprises, mergers and reorganizations where the funds of the many are pooled, the trust company is the trusted agent or representative to see that those who adventure their money in these business activities have the advantage of the protective features provided by the modern bond mortgage, transfer and registration services, etc.

In our own case, as I have already pointed out, the new normal business assumed is the largest in volume in our history and the new wills filed in our Treasury Vaults for safe keeping exceeded by 30% the highest number lodged with us in any previous year.

PLANS FOR FUTURE EXPANSION

As Mr. Rowell has intimated, plans are being prepared for the extension of our Head Office building along Melinda Street to take care of the rapid expansion of the Corporation's affairs. This will also enable us to lay out our ground and first floors to much better advantage for our clients, as well as our staff and to add one or two new departments to our enterprise.

It may be of interest to you to know that, if we break up our forty-six years of business activity into three periods as follows, our growth or development in so far as assets are concerned would mark the following progress:

1st period of 16 years to 1897	$ 11,834,806
2nd period of 15 years to 1912	53,852,564
3rd period of 15 years to 1927	169,812,968

BRANCH OFFICE PROGRESS

As the President has pointed out, our new Branch in Montreal is already giving a good account of itself and furnishing a number of our clients and beneficiaries with facilities that are greatly appreciated.

This is also true of the Saskatoon Branch, where in our own building on one of the best corners in the City, we established during the year a fully equipped Trust Company and Mortgage Loaning service with a local Advisory Board comprising a number of experienced and highly responsible business and professional men.

I am pleased to report that our next youngest Branch, being Vancouver, continues to develop not only in new business assumed, but also in the number of wills filed for safe keeping.

MARKED CONFIDENCE IN THE FUTURE

In the matter of immigration, it is hoped that in Great Britain and Canada more comprehensive and vigorous policies will be launched for the transfer to Canada of an increasing number of the intelligent and healthy surplus population of the British Isles under supervision that will make for the happy establishment of these fellow-countrymen of ours in a land where they, with others of similar qualities, are sorely needed at the present time. Our great northland is already calling with an insistent voice through the industries of mining, pulp and paper manufacturing and railway and power development, as also through the brave and hardy explorer of the past and the intrepid adventurer of to-day. The lure and romance of this land of ours will, I am sure, continue to be irresistible to men of courage and enterprise in the future as surely as they struck a responsive chord in the hearts of our pioneer forefathers a century or more ago.

The reduction in Federal Income and Corporation taxes has given a fillip to business and a confidence in the future that is quite marked and it is hoped that the Government at the present session of Parliament will see its way to further reduce these taxes, as such reductions make for a freer and more confident investment of capital from which all classes in the community reap a reward.

Before closing, may I suggest to you all as Shareholders of the Company that by word as well as deed you may further the interests of this your enterprise and at the same time perform a service to your friends and families which should bring confidence and contentment to those for whom the natural protector and guardian seeks to make adequate provision for the future.

This is a large and growing institution involving great responsibilities upon the Board of Directors, Officers and Staff and, as General Manager, may I say that I think it would be difficult to find a group of men who would take a keener personal interest in the affairs of the Corporation or feel their responsibility more than those comprising your Board of Directors and Branch Advisory Boards.

And further, I wish to take this opportunity of paying tribute to my fellow-officers and members of the staff, both men and women, at Head Office and Branches, for their unswerving loyalty, painstaking care and devotion to duty, without which I should be poor indeed, but, with which, the position I hold continues to be one of personal pleasure and satisfaction.

On motion the following Shareholders were appointed Directors for the ensuing year: Hon. N. W. Rowell, K.C., LL.D.; Major-Gen. Sir John M. Gibson, K.C.M.G., K.C., LL.D.; Charles S. Blackwell; E. T. Malone, K.C., J. G. Scott, K.C.; Hon. A. C. Hardy; . Bruce Macdonald; Lieut.-Col. R. W. Leonard; Col. J. F. Michie; Hon. Sir Daniel H. McMillan, K.C.M.G.; H. H. Williams; Thomas Bradshaw, F.I.A.; Wilmot L. Matthews; Archibald H. Campbell; F. Barry Hayes; S. J. Moore; Isaac Pitblado, K.C., LL.D.; Alexander MacLaren; Paul J. Myler; W. W. Near; Albert Matthews; A. E. Phipps; Charles S. MacInnes, C.M.G., K.C., LL.D.

At a subsequent meeting of the Shareholders, the following Officers were elected: President, Hon. N. W. Rowell, K.C., LL.D.; Vice-Presidents, Major-General Sir John M. Gibson, K.C.M.G., K.C., LL.D.; Charles S. Blackwell and E. T. Malone, K.C.

Canada's Basic Industries

CANADA'S industrial development and prosperity is based on our wealth of natural resources such as agriculture, water powers and timber reserves. Investments in the securities of well managed companies developing these resources rest, therefore, on a secure foundation.

Canadian Power and Paper Investments, Limited, was formed in 1923 to acquire selected securities of pulp and paper and hydro-electric power companies. This company, in addition to other investments, now owns a substantial interest in the Bathurst Power and Paper Company, Limited.

The Bathurst Power and Paper Company, Limited, has extensive timber reserves, covering an area of 2,500 square miles in the Provinces of Quebec and New Brunswick. It is estimated that these reserves contain 10,000,000 cords of pulpwood and 2,000,000,000 feet board measure of spruce, pine and cedar logs. The company has a daily output of 50 tons of unbleached sulphite, 70 tons of kraft pulp, 80 tons of groundwood pulp, and 65 tons of newsprint.

An investment in our basic industries is an investment to build up Canada.

We invite your inquiries for Investment Service.

NESBITT, THOMSON & COMPANY LIMITED
Royal Bank Building, TORONTO 2
Montreal Quebec Ottawa Hamilton
London, Ont. Winnipeg Saskatoon Vancouver

The TORONTO GENERAL TRUSTS CORPORATION

"Canada's Oldest Trust Company"—Established 1882

Financial Statement for Year Ended 31st December, 1927

PROFIT AND LOSS ACCOUNT

By Balance brought forward from 31st December, 1926	$136,459.16
By Net Profits for year, after deducting management expenses, Directors' and Auditors' fees, advertising, rents, and all other charges	401,158.22
	$537,617.38

APPROPRIATED AS FOLLOWS:

To Quarterly Dividends Nos. 123, 124, 125 and 126, at the rate of 12% per annum	$240,000.00
To Amount provided for Federal, Provincial and Business Taxes	48,000.00
To Amount expended during the year in additional Safe Deposit Vault and Office Equipment for Head Office and Branches, written off	20,785.73
To Balance carried forward	228,831.65
	$537,617.38

ASSETS

CAPITAL ACCOUNT

Office Premises and Safe Deposit Vaults at Toronto, Ottawa, Winnipeg, Saskatoon and Vancouver		$1,000,000.00	
Rents due and accrued		6,905.44	
Real Estate held for sale		356,019.18	
Mortgages:			
Principal	$1,569,186.13		
Interest due and accrued	52,796.71		
		1,621,982.84	
Agreements for Sale:			
Principal	$ 563,411.28		
Interest due and accrued	15,083.16		
		578,494.44	
Agreements for Sale (Conditional)		384,527.10	
Loans on Dominion of Canada, Provinces of Canada, and Canadian Municipal Securities		46,428.40	
Loans on Stocks and Bonds		202,308.50	
Other Securities		32,657.32	
Loans or Advances to Trust Estates under Administration by the Corporation		513,735.35	
Other Assets		3,858.18	
Cash in Chartered Banks	$ 177,783.45		
Cash on Hand	429.86		
		178,213.31	
			$ 4,925,130.06

GUARANTEED TRUSTS ACCOUNT.

Mortgages:			
Principal	$10,037,859.71		
Interest due and accrued	281,512.62		
		$10,319,372.33	
Dominion of Canada and Provinces of Canada Securities		595,687.91	
Canadian Municipal Debentures		3,168,282.38	
Loans on Dominion of Canada, Provinces of Canada, and Canadian Municipal Securities		798,943.03	
Cash in Chartered Banks		276,387.88	
			15,158,673.53

ESTATES, TRUSTS AND AGENCIES ACCOUNT.

Investments negotiated by the Corporation and Cash in Chartered Banks	$52,854,465.76	
Original Assets, including Real Estate, Mortgages, Debentures, Stocks and Bonds at Inventory Value	96,874,698.76	
		149,729,164.52
		$169,812,968.11

LIABILITIES

CAPITAL ACCOUNT.

Capital Stock Subscribed and Fully Paid	$2,000,000.00		
Reserve Fund	2,600,000.00		
		$4,600,000.00	
Dividend No. 126, due January 3, 1928		60,000.00	
Balance of Appropriation for Federal Income Tax payable in 1928		20,023.62	
Unearned Rents, re Office Buildings and Safe Deposit Vaults		16,274.79	
Profit and Loss		228,831.65	
			$ 4,925,130.06

GUARANTEED TRUSTS ACCOUNT.

Guaranteed Trust Funds for Investment	$15,158,673.53	
		15,158,673.53

ESTATES, TRUSTS AND AGENCIES ACCOUNT.

Trust Funds for Investment or Distribution	$52,854,465.76	
Inventory Value of Original Assets of Estates and Agencies under administration by the Corporation	96,874,698.76	
		149,729,164.52
		$169,812,968.11

AUDITORS' REPORT.

We have verified the Investment Securities and Cash and Bank Balances held at Toronto for the Corporation's Capital Account, as well as those held for their Guaranteed Funds, for the Supreme Court of Ontario and for the Trust Estates and Agencies administered by the Corporation as at 31st December, 1927. The securities and funds held for Trust and Guaranteed Accounts and for the Supreme Court of Ontario are kept separate from the Corporation's own securities and funds, and are so earmarked on the books of the Corporation as to show the account to which they belong.

The Branch Statements, as certified to by your Auditors for the branches, have been incorporated with the Head Office accounts in the attached Balance Sheet of 31st December, 1927.

Accepting the reports of your auditors for the Montreal, Ottawa, Winnipeg, Saskatoon and Vancouver Branches, we have, after due consideration, formed an independent opinion of the position of the Corporation on 31st December, 1927, and we certify that in our opinion so formed and according to the best of our information and the explanations given us, the accompanying Balance Sheet sets forth fairly and truly the position of the Corporation on that date and in agreement with the books of the Corporation.

We have received all the information and explanations we have required.

Toronto, January 17th, 1928. (Sgd.) CLARKSON, GORDON AND DILWORTH, C.A. / ARTHUR J. HARDY } Auditors

WOLVIN QUITS AS HOLT, GUNDY BUY OUT BESCO

Man Who Has Headed Industry for Eight Years Steps Down

FUTURE IS BRIGHTER

Sir Herbert's Varied Interests Will Help Steel and Coal Industry Find Further Outlets

From Our Own Correspondent

MONTREAL.—Roy M. Wolvin has succeeded in bringing Sir Herbert S. Holt and J. Harry Gundy into the British Empire Steel Corporation picture. The acquisition of Mr. Wolvin's interest in the Dominion Steel and its subsidiaries by this strong interest mean that the corporate entity of the Dominion Steel will be preserved and thus there remains no chance of the control of the major part of Besco's holdings passing into other hands. Indeed the Holt-Gundy interests have undertaken to do everything in their power to preserve the corporate entity of the Dominion Steel Corporation.

It seems more than probable that Roy Wolvin will now step out of the Besco picture and that the new interests will be able to clear up the shares between Besco and the National Trust and thus clear way for the government which would allow the Nova Scotia industry to operate on a more profitable basis. While the National Trust is asking the privy council to liquidate the Dominion Steel there seems no doubt that the advent of the new interest into the Besco situation will either halt these proceedings or render them of little account, for the Holt-Gundy interest now own most of the Dominion Iron bonds which were guaranteed by Dominion Steel. Thus one of the chief reasons for liquidating the Dominion Steel has been removed.

Roy M. Wolvin has made an excellent move for Besco shareholders in bringing Holt-Gundy interest into the picture. Sir Herbert with the wide ramifications of his business interests can increase materially outlets for the coal and steel products of Besco's subsidiaries.

It probably can be assumed that the Holt-Gundy group are now substantial shareholders of Besco and will push vigorously the best interest of Besco shareholders. In the past the Dominion Coal has carried a heavy burden in the Dominion Iron which has not been profitable. Besco's interests can best be served by retaining its ownership of Dominion Coal — in the event of the liquidation of the Dominion Steel this ownership would have been lost. The present development brought about by Roy M. Wolvin is the culmination of eight years' work on his part to improve the position of the Besco shareholders. The deal is eminently satisfactory, viewed in any light: from the angle of the public, from the angle of the industries themselves and from the angle of the Besco shareholders.

Wolvin's Problem Has Been Difficult

Action of Besco's Head Believed to be in Interest of Shareholders

In concluding his association with the British Empire Steel Corp. and bringing new strong interests into the Besco picture, Roy M. Wolvin has undoubtedly had the best interests of the Besco shareholders at heart. There can be no doubt that the present development in the affairs of the corporation is the culmination of many years' effort by Mr. Wolvin.

In the past Roy M. Wolvin has had his critics, especially in Nova Scotia, but none with any knowledge of the stern economic difficulties which have faced him in administering the Nova Scotia steel and coal industries can doubt for a moment his abilities—abilities which have won for him the unswerving loyalty of his business associates and have wrung an unwilling testimony from those who have been opposed to him in many a business struggle particularly of late. In relinquishing his personal interest in the Dominion Steel and its subsidiaries to new interests which can undoubtedly bring increased business to the plants Mr. Wolvin has placed the interests of his shareholders before any personal objectives and has concluded a transaction in the best interests of the country generally and particularly in the best interests of Besco shareholders. There can be no doubt now that there is no chance of Besco losing its ownership of the Dominion Coal and the Dominion Iron.

Mr. Wolvin has worked hard guiding Besco through a period beset not merely with production or merchandising difficulties but also with unescapable economic handicaps, and finally bringing about the present developments.

Kelvinator Sustains Loss for Year of $175,609

Kelvinator Co. of Canada sustained a loss of $175,609 on its Canada business in the fiscal year ended September 30th, and made a profit of $21,643 on its exports to other British countries. The total deficit is $145,711.

Working capital stands at $307,404. President W. K. Woodbridge stated that better results could be expected in the current year. He attributes the loss last year first to heavy expenditures essential to establishment of a new industry, and, second, to unfavorable seasonal conditions.

Montreal Stock Exchange Has Record Seat Bids

From Our Own Correspondent

MONTREAL.—Again the price level of seats on the Montreal Stock Exchange has leapt upward. The last bid reported was $90,000; this week it is understood that the Montreal Stock Exchange firm of Flood, Potter & Co. to obtain a second seat on the exchange bid $100,000 with no seat offering. Another member of the exchange again increased the bid to $110,000.

Government Municipal and Corporation Bonds

Real Estate Financing

RENE-T. LECLERC
Incorporated
Montreal—160, St. James St.
Quebec—71, St. Peter St.
(ESTABLISHED 1901)
E231

MURRAY & COMPANY
Specializing in Government, Municipal and Corporation Bonds
METROPOLITAN BLDG.
ELGIN 8429-8420 TORONTO

Established 1889
J. P. LANGLEY & CO.
C. P. ROBERTS, C.A.
Chartered Accountants
G. S. HOLMESTED
Trustee in Bankruptcy Proceedings
Offices: McKinnon Bldg., Toronto

INVESTMENT BONDS
HIGH-GRADE PREFERRED STOCKS
Williams, Partridge & Rapley, Limited
171 ST. JAMES ST., MONTREAL

F. H. Blakely C. E. Bowden
F. H. BLAKELY & CO.
Corporation Bond Issues
Originated - Under-written
Northern Ontario Bldg., Toronto
Telephone Adelaide 0669

C. T. FILLAN & CO.
Specializing in
RAILROAD SECURITIES
205 St. James St.
MONTREAL
Telephone Lancaster 6986

Send for our
INVESTMENT SURVEY
"A Service in Itself"
WARNER & COMPANY
120 St. James Street
MONTREAL TEL. MAin 3635

Housser Wood & Co.
LIMITED
Orders Executed on the Toronto Stock Exchange
R. F. DAVIDSON,
Members Toronto Stock Exchange
EL. 7193-4-5-6
Royal Bank Bldg Toronto

UNITED FIRST MORTGAGE BONDS.

To Every Investor

United Bonds are issued in denominations of $50.00, $100.00, $250.00, $500.00 and $1,000.00.

They are issued to mature in two, three, four, five, six, seven, eight, nine, and ten years.

They afford the investor complete safety of his capital, and dependable income as high as is obtainable with that exceptional security.

There is one to meet your investment needs.

Will you write us for details of issues offering now?

UNITED BOND CO., LTD.
302 Bay Street, TORONTO
Security Building, WINDSOR

COUPON

United Bond Company, Ltd., Dept. 18, 302 Bay St., Toronto, or Security Building, Windsor.

Without placing me under any obligation whatever, send me copy of your booklet, "Through the Doorway of Honesty."

Name ....

Address ....

....

News of Investment Markets

Dominion Stores Likely to Increase Its Capital

Expected That Shareholders Will be Given Rights Valued at $5 or $6 Per Share — Company's Stores Are Expanding Rapidly

It is expected that Dominion Stores within a few days will announce an increase in the capitalization whereby existing shareholders will be given rights valued at $5 or $6 the share.

According to a reliable informant, the capitalization of the company will be increased by 10 per cent., or 8,250 shares, which would mean that shareholders would have the privilege of subscribing for new stock on the basis of one new for ten held. A year ago, the price for new stock was $40 the share. It may be higher now, although a lower price has been mentioned.

Expansion of Dominion Stores is taking place as rapidly as the organization can be upbuilt and the desirable sites located. The stock recently has been selling around 125. This price is believed to be discounting the expected development to some extent.

An early increase in the dividend would be somewhat of a surprise in informed quarters.

ABITIBI EARNINGS EXPECTED TO HOLD

See No Decline in 1927 Report from Profits Shown in 1926

From Our Own Correspondent

MONTREAL.—Forecasts have been published indicating that for the full 1927 year the Abitibi Power and Paper Company will show earnings very close to the 1926 level, despite the hesitancy in the newsprint market, which has reduced the scale of operations at the company's mills during the year just concluded.

In 1926, Abitibi earned $11.56 per share on its common stock—a figure which compared with dividend requirements in that year of $5 a share. The 1928 dividend is equivalent to $8 a share on the old shares of Abitibi.

There can be no doubt that Abitibi, like all the other newsprint companies, experienced a decline in its gross earnings during 1927. But the company is ably managed and has probably been able to eliminate some of its sales costs due to the formation of the Canadian Newsprint Company through which the output is marketed. There will probably be shown also a decline in operating costs. Thus, the forecasts that earnings on the common during the year just concluded will show little change from the 1926 figures, which may be regarded as a reasonable prophecy. Moreover, it is certain that the Abitibi management would not have placed the new split stock on a $4 annual dividend basis had there been any material decline in the net profits applicable to the common.

Trading has commenced in the new split shares of the Abitibi Power and Paper Company and an if, as and when issued basis. The new shares naturally change hands at a figure equal to half of the present price of the old shares.

Transactions on the stock exchange in the new shares will steadily increase and trades in old Abitibi common and old Spanish River common will steadily decline. Both of the old stocks are exchangeable into new shares on the basis of one of the old for two of the new. The new stock ranks for dividends from the beginning of the year and will pay $1 quarterly.

OSHAWA BUILDING BOND IS OFFERED

Company Owns Valuable Buildings and Land in Growing City

Stewart, Scully and Co., are offering this week $235,000, 6½ per cent. first mortgage bonds of Oshawa Buildings, Ltd.

This company is the owner of three separate blocks of land centrally located in Oshawa, on which one business block and one apartment house are already erected and producing revenue, while on the remainder of the properties three additional apartment house blocks are now in the course of erection.

Details of the issue follow:

$235,000
Oshawa Buildings, Ltd.
6½% First Closed Mortgage
15-Year Sinking Fund Bonds

Dated: Jan. 2, 1928. **Due:** Jan. 1, 1943.

Capital:

	Authorized	Issued
6½% 1st mort. sinking fund gold bonds (this issue)	$235,000	$235,000
7% cum. redeemable pfd. stock (p.v. $100 per share)	200,000	155,000
Com. stock (n.p.v.)	5,000 shs.	5,000 shs.

Properties: Owns properties in Oshawa on which two buildings are now erected and producing revenue, and three others in course of erection.

Valuation: Land and buildings have been valued as at October 24, 1927, at $391,850.

Revenue: On properties A and D, is producing net per annum $11,500, while on B, C and E, is estimated at $28,500, making a total of $40,000, which is over two and a half times interest requirements.

Surety Bond: Completion of buildings by June 1st, 1928, is guaranteed by surety bonds.

Sinking Fund: Commencing 1929, $8,000 annually, plus interest on redeemed bonds.

Security: First closed mortgage on land and buildings and a floating charge on all other assets of the company.

Reserve Fund: Company covenants to accumulate a special contingent reserve fund to the amount of $15,000.

Offer: Stewart, Scully and Co., at 98.50 and accrued interest, to yield 6.67 per cent.

EARNINGS ARE GOOD FOR LONDON TRUSTS

Net Profit is Said to be About 14 Per Cent.

London & Western Trusts, London, Ont., shortly will issue its annual report which will show, it is reported, that 1927 was an excellent year from the point of view of earnings and growth of assets. The net profit, it is said, will be about 14 per cent. after making all deductions dictated by conservatism. The company is paying 8 per cent. on its stock, of which there is $500,000 outstanding and paid up.

Estates under administration and other branches of the business have grown very rapidly, which would indicate that the company can not only maintain its profits in the future but will be able decidedly to increase these.

MONTREAL TRUST EARNINGS HIGHER

Valuable Stock Rights Announced for Shareholders of Institution

From Our Own Correspondent

MONTREAL.—The annual report of the Montreal Trust Company, which is closely associated with the Royal Bank, reveals earnings at the highest level in the history of the company, and trustee funds under administration to be about $1,450,000,000—an increase of some $400,000,000 from the close of the preceding year. At the annual meeting of the shareholders, the president announced the issuance at par of nine new shares to the stockholders for every ten shares now held.

The following figures compare the income accounts of the trust company over the past three years:

	1927	1926	1925
Net profits	$382,034	$336,343	$303,567
Deduct:			
Dividends	$170,000	$160,000	$150,000
*McGill	......	......	2,000
Hosp. subsc.	5,000	......	......
Income tax	40,839	43,325	28,283
Pension fund	5,000	5,000	......
Year's surplus	$161,195	$128,018	$123,329
Prior surplus	88,846	210,828	87,499
Total surplus	$250,041	$338,846	$210,828
Transferred to reserve	150,000	250,000	......
Balance	$100,041	$ 88,846	$210,828

*Subscription to McGill University Centennial Fund. Final payment made in 1925.

In the balance sheet there was an all round increase in the trust company's assets. Excluding trust funds under administration, the total assets of the company now stand at $6,114,015 as against $5,301,100 a year ago.

The president, Sir Herbert Holt, announced that owing to the company's growth in recent years and in order to meet the ever increasing demands made upon it from time to time, the directors have decided to recommend an increase in the capital stock of the company from $1,000,000 to $2,000,000, and if this met with the shareholders' approval, it was the intention to offer 90 per cent. of the new stock to the present shareholers at par. This would mean a basis of 9 shares of new stock for every 10 shares now held. The remaining 10 per cent. to be offered to the company's employees at the discretion of the directors.

In his remarks, Sir Herbert Holt declared that the dividend on the increased capitalization would be 12 per cent. The rate on the old capitalization during 1927 was 17 per cent.

A resolution adopted by the shareholders provided that the price of the shares of the presently outstanding stock be $275 per share, the same as last year, and that when the increase in capital shall have been effected the price of each of the shares of the enlarged capital shall be $200.

FAMOUS PLAYERS MAY REVISE CAPITAL

Company Said to Plan Elimination of High Interest Rate Securities

From Our Own Correspondent

MONTREAL.—There are rumors regarding a possible reconstruction of the capitalization of the Famous Players Canadian Corporation. It is said that the management may decide to eliminate from the capital structure some of the securities now bearing high interest rates.

The company had a bonded debt of $1,116,000. The first preference stock bears interest at 8 per cent.; there is outstanding of this issue, $4,200,900. The second preference stock also bears 8 per cent., cumulative interest and there are $1,000,000 outstanding of these shares on which interest is some seven years in arrears. The outstanding common stock consists of 75,000 shares of $100 par value. The recent activity in the common suggests some change in the capitalization.

In any capital reconstruction it seems reasonable to presume that the management would endeavor to eliminate the first and second preference shares which carry such a high dividend rate. The first preferred shares, which are the only preferred issue publicly held, are callable at 105. One theory is that the present preferred stock might be exchanged into new preferred with a bonus of common stock. It is understood that the company's earnings are steadily increasing. The first preference shares have of late been changing hands at the call price.

BOND REDEMPTIONS

	Rate	Due	Redeem.	Price
Shawinigan "D"	5½%	1954	Apr. 1	105
Do., "E"	5%	1955	Apr. 1	105
Pt. Alf. Pulp B	6½%	1943	Apr. 1	104¼
Nat. Breweries	6%	1939	July 1	105
Ottawa Gas	6%	1939	Mar. 1	103
Canada Cement (Old company)	6%	....	Mar. 31	110
Ottawa L. H. & P. "A"	6%	....	Mar. 1	105
Donnacona Pap. (1st mort.)	6%	1940	Apr. 17	105
Donnacona Pap. (Deb. B.C.D.E.)	6%	....	Mar. 1	102

The Canadian Pacific Railway will operate a specially-fitted seed grain train over an extensive itinerary towards the end of February for a period of six weeks.

WATERLOO TRUST HAS FAIR PROFIT FOR 1927 PERIOD

Deducting Taxes, Earnings Are Again at Record Height

Waterloo Trust & Savings Co., operating offices at Waterloo, Kitchener and Galt, reports earnings of $87,095 in the year 1927, compared with net profits of $80,650 in the previous twelve months. The report indicates that the company has had a very fair increase in business and it is evident that the outlook is good. A further $30,000 is carried from profit and loss to reserve account, bringing that fund up to $255,000. The paid-up capital is $750,000.

Deducting taxes, amounting to $5,465, it is found that earnings again are at a record height.

Considerable growth is shown in the guaranteed trust account. Total of mortgages with interest are up from $2,656,565 to $3,406,181, and bond investments are up from $1,507,879 to $1,681,996. The total assets of this division of the company's business are up from $4,416,936 to $5,419,224.

Estates, trust and agency account also has increased materially. This item, which stood at $851,490 a year ago, is now at $1,113,978.

Capital account is slightly larger, the total now being $1,034,383, compared with $1,001,503 a year ago. Mortgages are reduced from $187,349 to $147,551. Loans on the company's own stock are up from $13,682 to $18,071.

The following table illustrates the growth of this company:

	Rate of Earnings			
Year	Paid-up Capital	*Profits	Earned %	Dividend
1915	$332,876	$25,323	7.8	6
1916	383,779	31,762	8.8	6
1917	415,366	34,355	8.5	6
1918	481,802	40,462	9.3	6
1919	604,331	49,649	9.2	6
1920	638,764	56,995	9.1	6
1921	674,295	54,637	8.4	6
1922	707,920	57,672	8.3	6½
1923	729,685	62,657	8.7	6½
1924	750,000	63,482	8.5	6½
1925	750,000	63,382	9.1	6½
1926	750,000	73,639	9.8	6½
1927	750,000	81,630	10.8	6½

*Income tax deducted.

CANADIAN DREDGE STOCK IS OFFERED

High Earnings Reported by Company for Past Year

New financing is being undertaken this week by the Canadian Dredge and Dock Co., in the form of $1,500,000, 7 per cent. cumulative preferred stock, which is being offered to the public through McLeod, Young, Weir and Co.

This company was recently formed to take over the control of Canadian Dredging Co., Ltd., which was formed in 1906 since which date it has grown to be one of the largest dredging and marine contracting companies in Canada.

In the past few years, the company has completed section 5 of the Welland ship canal for the Dominion Government, harbor developments at Port Arthur and Fort William, harbor improvements at Port McNicoll and Tiffin, and a new grain elevator at Owen Sound. The company is at present engaged on section 7 of the new Welland ship canal, the contract for which will total over $9,500,000, and will require two year's additional work to complete.

Details of the present issue are subjoined:

$1,500,000
Canadian Dredge and Dock Co.
7% Convertible Cumulative Preferred Stock
Convertible into common stock at the holder's option on the basis of three shares of common stock for one share of preferred.

Capital—

	Authorized	To be Issued
7% convertible cum. pref. stock (this issue)	$2,000,000	$1,500,000
Com. stock (no-par value)	150,000 shares	50,000 shares

Of the authorized common stock, 60,000 shares are to be reserved against the conversion privilege of the preferred stock.

Business—Company engages in general marine, dredging and harbor development works.

Plant—Company owns a complete dredging and marine contracting plant, as well as a machine shop at Port Robinson.

Earnings—Net earnings have averaged $221,250 annually for the four years ended December 31, 1927, and for the eleven months ended December 31, 1927, were equivalent to $28.84 on each share of convertible preferred stock to be presently outstanding.

Assets—Properties and plants have a depreciated value of $1,878,000. Current assets are placed at $1,371,850, and current liabilities at $445,687, giving working capital of $926,162.

Sinking Fund—Beginning May 1, 1929, 20 per cent. of net profits after provision for preferred stock dividends, depreciation and income taxes.

Management—There will be no change.

Prospects—Has sufficient work on hand to keep going for two years when further contracts are anticipated.

Listing—Application will be made to list preferred and common on the Toronto Stock Exchange.

Offer—McLeod, Young, Weir and Co., at $100, and accrued dividend with a bonus of one-half share of common stock for each share of preferred.

Tenders and By-laws

Feb. 6, Municipality of Ste. Therese de Blainville, P.Q.—$17,500, five per cent., serial debentures. A. Forget, sec.-treas.

Feb. 4, North Bay.—$114,429, five per cent., 10 and 20-year debentures. W. N. Snyder, clerk.

February 15, Village off Laterriers, P. Q.—$20,000, 6 per cent., serial bonds. A Gagne, sec.-treas.

SASKATCHEWAN
Authorizations Granted by the Local Government Board From Jan. 8 to Jan. 21, 1928.

Schools — Rouen, No. 2784, $1,000; St. Istvan, R.C. P.S.D. No. 31, $3,000. **Telephones** — Quill Plains, $7,000; McDonald Hills, $1,050; Storthoaks, $2,500.

Debentures Reported Sold

Starview, No. 1599, $43,000, 15 years, 5½ per cent., R. Hopkins, Wilkie; Dartmore, No. 4380, $3,000, 15 years, 5½ per cent., Cross & Co., Regina; Aldewanda, No. 630, $590, 10 years, six per cent., Saskat. Farmers' Mutual Fire; St. Henry G. D. No. 5, $10,625, 17 years, 6½ per cent., Houston Willoughly & Co., Regina; Lucky Lake, No. 4461, $12,500, 20 years, 5½ per cent., H. J. Birkett & Co., Toronto; Rothsay, No. 1302, $1,100, five years, 5½ per cent., Regina P. Sinking Fund; Reigate, No. 4624, $700, 10 years, six per cent., F. E. Watchler, Regina; Fartown, R. T., $850, 10 years, six per cent., Cross & Co., Regina; North Weldon, R. T., $1,700, 10 years, six per cent., H. M. Turner & Co., Regina; Willowbunch Harptree R. T. Co., Ltd., $16,250, 15 years, 5¼ per cent., Burnett & Burnett, Regina; Eldon R. T. Co., Ltd., $3,400, 15 years, 5½ per cent., Geo. Moorhouse & Co., Regina.

Offer Restigouche Issue to Yield Over 5.50%

From Our Own Correspondent

MONTREAL.—Those familiar with the name of Stetson, Cutler & Co., will follow with interest the new issue of 5½ per cent., first mortgage, twenty year bonds of the Restigouche Company which are offered this week by the Royal Securities Corporation. The Restigouche Company has acquired the assets of Stetson, Cutler and Company.

The new Restigouche Company is controlled through ownership of its entire capital stock by Fraser Companies, which is one of the largest manufacturers of high-grade sulphite papers and easy bleaching sulphite pulp.

The particulars of the Restigouche issue follow:

$1,500,000 Restigouche Co., Limited
5½%, First Mortgage, Twenty-Year Sinking Fund Gold Bonds, Series A, Guaranteed by Fraser Companies, Limited

Dated: Feb. 1, 1928. **Due:** Feb. 1, 1948.

Capitalization:

	To be Authorized	To be Outstanding
First. Mort. Bonds	$5,000,000	$1,500,000*
Common Shares (no par value)	250,000 shs.	250,000 shs.†

*Series "A". †All owned by Fraser Cos.

Business: Is one of the largest manufacturers of and dealers in Eastern Canada forest products. Entire capital stock is controlled and owned by Fraser Companies.

Assets: The parent company holds under lease some $1,295 square miles of timberland estimated to contain approximately 7,000,000 cords of pulpwood, and also a saw mill property at Athol near Campbellton, N.B., with an annual capacity of 30,000,000 feet b. m. lumber, and 25,000,000 laths. These properties are valued at $19,013,085 in addition to net current assets of $4,337,471, which is equivalent to more than $7,000 per $1,000 guaranteed bond.

Earnings—Earnings of parent company and subsidiaries for year ending December 31, 1927, were $773,156, equivalent to over nine times annual interest charges on the bonds. Over a period of four years and seven months, the average annual earnings were $432,187.

Further Issues: The remaining $3,500,000 of bonds are only issuable under certain restrictions in the trust deed.

Sinking Fund: An annual cumulative fund of two per cent. per annum, operative February 1, 1931.

Offered: January, 1928, by Royal Securities Corporation, Ltd., at 99 and accrued interest.

Moose Jaw Tax Receipts Set New Mark for 1927

The percentage of current taxes collected to the levy in Moose Jaw during 1927 was the highest in the history of the city; the next highest year was 1920 when 74.10 per cent. of the current taxes was collected.

Returns of the city treasurer show that the taxable assessment of Moose Jaw last year was $21,997,615, against which the tax levy for all purposes was $1,157,774. In both instances, there was a decrease as compared with the previous year. Current taxes collected amounted to $866,742, and arrears on taxes $152,012, making a total of $1,018,754. This compares with current taxes collected in 1926 of $855,775, and arrears of taxes of $166,770, making an aggregate total of $1,022,546.

Vancouver House Offers Theatre Preferred Stock

Fidelity Securities Corp., of Vancouver, is offering to the public $100,000, 7 per cent. cumulative preference shares of the Hippodrome-Vaudeville Theatre, Ltd., at par together with a bonus of five shares of common with each preference share, callable after January 1st, 1932 at 105 and accrued dividends.

The theatre has been leased for a period of ten years, with an estimated annual return from rentals, etc., at $80,000 and net annual income of $30,700 in excess of the calculated dividend interest, sinking fund and tax requirements.

Plentitude of Funds Aids Strong Bond Market

An abundance of investment funds throughout Canada is still in evidence, according to Wood, Gundy and Co., with the result that the keen investment demand that prevailed in 1927—particularly during the latter months—continued throughout January. Coincident with this strong demand has been a smaller amount of new borrowing by governments and municipalities, and new issues, which totalled $48,945,000 in January, 1927, declined to less than $11,000,000 in 1928. As a result of the plentitude of funds, combined with the fewer new offerings, the bond market remains in a strong position.

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Holliday Brewery Stock is Placed on Market

Another Ontario brewery is being added to the list of companies in which there is a public participation. This time it is Holliday Breweries, Ltd. At present, $100,000 of 7 per cent. cumulative preferred stock is being publicly offered by R. M. Bird and Co. The issuing price is $100 a share, together with a bonus of five shares of no par value common stock with each share of preferred.

Holliday Breweries has been incorporated to take over as a going concern Holliday Brewing Co., of Guelph, which was established in 1856.

The present issue is for the purpose of rehabilitating the plant, increasing the capacity and providing working capital. It is the intention to start production under the old processes, trade marks, etc., without delay.

Application will be made to list both the preferred and common shares on the unlisted section of the Toronto Stock Exchange.

OFFER BRIDGE SECURITIES SOON

From Our Own Correspondent

MONTREAL.—The purchase of the Hamilton Bridge Works by new interests recently is soon to be financed by the public offering of new securities in the company. It is understood that financing will take the form of a first preferred, 6½ per cent. stock issue which will carry with it a bonus of common stock. One rumor has it that the new preferred issue will carry a forty per cent. bonus of common. The control of the company recently passed into the hands of James Playfair and his associates.

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The proceeds of this Loan will be used for the hydro-electric development of the River Shannon, which is expected upon completion to generate sufficient power to meet the requirements of the entire country at low cost, and for other Government purposes. We recommend these bonds for sound investment and upon request will forward a circular giving further particulars of this issue.
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Consolidations and Stock Values
The advantages of consolidations of corporations operating in the same industry, as reflected in advances in the value of securities of the companies merged, are interestingly and authoritatively discussed in our
February Market Letter
Among recent mergers analyzed are Abitibi-Spanish River and Laurentide-St. Maurice.
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WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCES AND DOMINION GOVERNMENTS

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Saskatchewan Schools & Phones	Jan.	Various	....	...	$93,625	...	....
		Provincial					
British Columbia	Jan.	Dominion Securities Corp., and Syndicate	4%	6 mos.	$4,000,000	...	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Oshawa Buildings	Jan.	Stewart, Scully Co.	6½%	1943	$235,000	99½	6.67%
Advance Bag & Paper	Jan.	Peabody, Smith & Co., and Sydnicate	6%	1952	$3,750,000	100	6%
Restigouche Co.	Jan.	Royal Syndicate Corp.	5½%	1943	$1,500,000	99	5.55%
Corp. de Telephone et de Pouvoir de Quebec	Jan.	La Corporation de Piets	5%	20-yr.	$200,000	...	5.40
Nat. Transcontinental Railway Branch Lines Co.	Jan.	Dillon, Read & Co., and Sydnicate	4½%	30-yr.	$3,396,000	...	....
Riverside Iron Works	Jan.	W. Ross Alger Corp., and Syndicate	7%	20-yr.	$225,000	100	....
Wright-Carroll Gold Mines	Feb.	Thomas Marston & Co.	...	....	500,000 shs.	40c.	....
Stock Issues—							
Can. Dredge & Dock	Jan.	McLeod, Young & Weir	7%	Pref.	$1,500,000	100	....
				(With bonus of ½ share of common)			
Holliday Breweries	Jan.	R. M. Bird & Co.	7%	Pref.	$100,000	100	...
		(With bonus of 5	shs. of no par com. with each share of pref.)				
Palm Garden, Ottawa	Jan.	Hughes, Wood & Co.		Com.	100,000 shs.	$10	....

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TORONTO, FEBRUARY 3, 1928

WORTH WHILE

THE value of the report of the royal commission that investigated the customs administration of the Dominion has been lessened by the fact that Mr. Euler, the Minister of National Revenue, has anticipated many of its recommendations. But the investigation was worth-while.

Mr. Euler very wisely proceeded to reorganize the department and read the report later, whenever it might appear. But the survey by the commissioners was valuable in other ways. It threw the spotlight on the intolerable conditions that had formerly existed and in that way stiffened public opinion to resist possible future demoralization in the service.

Although the report is in some degree more tardy than the reforms it recommends, it merits careful study by the cabinet and the fact that much has been accomplished should not be seized upon as an excuse for taking no further measures to strengthen the public service.

The recommendation for the establishment of a national board of revenue is interesting but the government would be justified in conducting further experiment with the present board of customs before enlarging its sphere along the lines proposed. Reduction in the number of entry ports is now proceeding but not as rapidly as it might and the commissioner's report may strengthen the minister's hand in combatting the political hostility such a policy is bound to raise. That the imposition of prison sentences for smuggling has made administration of justice more difficult is a sorry tribute to the jury system but if any change is made, the alternative penalties provided should be high enough to give judges every discretion in meting out heavy punishment where advisable. Revision and consolidation of departmental regulations would be desirable but a medium for informing officials of changes in procedure exists in the new National Revenue Magazine.

Of the other suggestions made two of the most important are that those suggesting that clearance no longer be granted to vessels obviously smuggling liquor to the United States and that liquor export houses no longer be licensed. There can be no doubt that Ottawa will have to take some action along this line shortly. The contention that Canada is not interested in the rum-running problems of the United States is short-sighted. Apart from ethical considerations which make the subject very controversial, there has been plenty of evidence that the demoralization of the customs service was greatly intensified by the flow of smuggled goods in the outward direction. So long as crooks and smugglers are encouraged to move goods in one direction there is going to be a movement of smuggled goods, different in character, of course, in the other direction. Canada cannot play with fire and expect that it will not be burnt.

The hundreds of thousands of dollars spent on customs investigations have not been spent in vain. We have already balanced the expenditure by increased revenues in many directions. This report rings down the curtain on one of the great tragedies of Canadian political history. The curtain speeches will be brief but the lessons learned should linger long.

SOMETHING TO CHEW ON

THE one recommendation in the report of the Royal Customs Commission that provides a new and highly suggestive idea is that a system of consular agents for Canada should be established throughout the world. These agents would place their visa on all invoices of shipments of goods to Canada.

For a number of years, The Fincial Post has suggested a procedure similar to this, namely that the trade commissioners of Canada in foreign countries should grant these visas for a small fee. Such a system would not only enable a closer check to be made upon valuations of imported goods but would provide a source of revenue that would make our present trade commissioner service practically self-supporting and enable the country to afford a greatly enlarged service to promote the sale of Canadian merchandise and produce abroad. It may be pointed out that the United States consular service practically supports itself in this manner. One result is that while Canada has one trade commissioner in the United States, the United States has consuls all over Canada.

Of course one difficulty presents itself at once. Any such charge, however small, made for certification of invoices would represent an additional impediment to trade, would be a step away from the free trade policy to which the present government seems to be committed and which many sections of Canada support. The League of Nations, in the interest of free inter-communication between different countries, has taken a stand against such consular fees. The present minister of finance, who was formerly minister of trade and commerce, has expressed himself as opposed to the change.

Nevertheless the suggestion is one that opens up interesting possibilities for improving our customs appraisal system and enlarging our trade commissioner service and it is to be hoped that Ottawa will seriously investigate its possibilities as well, of course, as its limitations.

"CLASS OR CANADA"

HON. E. C. DRURY, ex-premier of Ontario, who begins in this issue a series of articles on the agrarian movement in Canada, is well-equipped to discuss the developments of the farmers' concept of life. He understands the movement, its deeper movements and the potentialities as well as the boundaries of its power of accomplishment.

Mr. Drury does not stand for class consciousness in government nor for representation by groups. Rather he sees danger for the farm movement in emphasis of the occupational theory of political representation. Mr. Drury's "broadening out" program has received severe set-backs in Ontario, but eventually it must triumph because sectional and class consciousness are disintegrating forces not desirable for Canada.

Alberta at the present time offers the picture of a group government, which is a good government, but nevertheless is frankly a group government. While he was in Calgary on his recent tour for The Financial Post, Mr. Drury attended the sessions of the United Farmers of Alberta, of which Henry Wise Wood is the head. Mr. Wood is the uncrowned political dictator of Alberta, as well as a power of unmeasured importance in the wheat pools. There was no clash between the two men, who were apparently impressed by each other, but an observer could hardly have helped to note the fundamental difference in their conception of the political objectives of the agarian movement. The Calgary Herald made mention of these editorially. It said:

> The former Ontario Premier asks that farmers, labor men, city people, work together in the spirit of Canadian unity for the welfare of all classes. Mr. Wood asks for hard-and-fast farmer organization in one group, and city organization in another group, and labor in another group. Mr. Wood would separate the people on selfish class lines; Mr. Drury would unite them on national lines of sympathy, co-operation and understanding.

In conclusion the Herald remarked:

> "We see the results of the U.F.A. political system in Alberta in the distinct cleavage between town and city. The autocracy of the farmer political party is resented by urban citizens who have the feeling that they are living under a government in which they have no share and that does not represent them. Government should be for all the people of the governed state and should represent all classes. Many farmers in Alberta recognize this and would prefer the Drury doctrine of encouraging unity in this country to the Woods doctrine of developing separatism."

We observe that the Brandon Sun had a similar editorial inspired by the Calgary Herald's utterance, and that it gave its editorial the significant heading, "Class or Canada."

It is because Mr. Drury is so broad in his views that he is exceptionally well-fitted to tell business men of what the farmers are seeking.

RUMORS AND DENIALS

CERTAIN newspapers have published editorials commending the officials of the Massey-Harris Company for "spiking" various rumors about changes in the ownership or management of that company. Of course officials of any company, especially one in which a large number of investors are interested, are wise to correct false rumors when these gain any grave degree of currency. But there is another side to the story. Denials are often issued that are just as misleading as false rumors that circulate. Many a time has The Financial Post been called to book by corporation executives for publishing certain information and has been assured that there was absolutely nothing to the facts presented, only to have events transpire entirely as forecast.

Last Friday night one of the directors of Massey-Harris Company, who was named, was quoted by a Toronto evening newspaper to the effect that he had heard nothing of the rumored appointment of Frank P. Jones to the board of directors of that company. He was quoted as saying:

> "There is a vacancy on the board of directors and one or two may be added, but I have not heard Mr. Jones' name mentioned to fill one of the places. If there were any truth in this story I would have heard something about it before this."

Yet that very evening copies of the annual report of Massey-Harris, printed and bound, were in the hands of the financial editors of the morning newspapers and the report showed Mr. Jones as a director. The appointment was duly announced in the morning papers of Saturday.

Was the director pulling the reporter's leg? Did the reporter misquote him? Was the director out of touch with what his colleagues on the board were doing?

Whatever the explanation, the incident indicates that denials from corporation executives cannot always be taken at their face value.

WHEN SILENCE SPEAKS

THE Globe, Toronto, does well to point to one omission, which we trust is not significant, in the Speech from the Throne. The speech tells of trade treaties to come with foreign countries. But it reveals no plans for the extension of trade within the Empire.

Says The Globe:

> It is announced that measures will be introduced providing for more favorable trade relations with certain foreign countries, without intimation as to the nature of these provisions, but no reference is made to any plans to extend trade within the British Empire. There has been reason for hoping that the government would take cognizance of the appeals of Empire statesmen for closer trade and economic associations—at least would recognize the presence of the British Secretary of State for the Dominions with some promising gesture; but the only reference to Mr. Amery's visit has to do with representation in Canada for the British Government. No hint is given that Canada is interested in the efforts of the Empire Marketing Board, and no attention is paid to the attempts of the Prince of Wales, Premier Baldwin and others to enlist the co-operation of British capital and British people in advancing the welfare of the Dominion.

Are we to assume from the lack of reference to Imperial economic matters that the government does not intend to grant any further support or co-operation to the development of binding economic ties of Empire? There are forces at work within the government that are apparently opposed to Canadian co-operation with other British nations in commercial matters. These forces were supreme for some time, even to the extent of keeping Canada out of work of the Empire Marketing Board. But we had thought that a change of front had come and that the government was beginning to see that great commercial possibilities exist for this nation in the erection of a large Imperial trade edifice. But for such hopes the Speech from the Throne is a dash of cold water.

Let us indeed hope that this silence does not veil hostility to or inaction in Empire trade promotion.

AUSTRALIA VEERS

ENCOURAGED by the increase of exports to Canada in recent months, the Australian government has adopted a less querulous attitude toward the Australian-Canadian Trade Treaty and there is now good reason to believe that the forecast made some weeks ago—that Australia would abrogate the pact—will not come to pass.

This autumn the imports of raisins from Australia have trebled and already exceed 6,000,000 lbs. As a matter of fact the Australian growers were unable to supply the Canadian demand and the fact that the movement is no greater is due, entirely, to the shortage of raisins for export in that dominion.

In some respects the events of the last few months in Australia have made the future of the treaty rather obscure from the Canadian point of view. The Patterson butter bonus scheme has been enlarged and instead of paying a bonus of six cents per pound on all butter exports, the payment has been increased to 8 cents. However, only one shipment of Australian consigned butter has reached this dominion up to date and unless the movement grows in volume the government will not consider the imposition of a dumping duty.

There has been less public criticism of the trade treaty of late. Public opinion in Canada, somewhat perplexed by the strong stand of the dairy interests against the treaty, has been impressed by the strong claims of the pulp and paper industry and is now favorable to the maintenance of this pact, which is of such great importance to certain fundamental Canadian industries.

A NOBLE WORK

DRAPER DOBIE, of Toronto, has taken up himself the task of collecting $50,000 for the boy migration work of the Salvation Army. Readers of The Financial Post have seen enough in these columns about this work to have convinced them that it is of great importance to Canada. The Salvation Army has brought to this country each year many hundreds of fine boys as well as women for domestic service, all of them Old Country folk of excellent character and in sound health. They make the best of citizens for Canada. The Army has drawn heavily upon its social funds for this work, and the grants received from the British and Canadian Governments, have not, contrary to the opinion many hold, paid the entire cost of this work. Private contributions are essential, and it is best that they should come from business men, who ought to be glad to make an occasional small investment in immigration, apart from that they make in their taxes.

EDITORIAL NOTES

CUSTOMS report is mostly anti-climax.

* * *

AN OPTIMIST is a man who thinks that life is what you make it.

* * *

MONEY IN the bank helps on the rainy day and it also helps when more margin is called for.

* * *

HEADLINE SAYS "King and Queen dance with help." Could they not have danced without?

* * *

THOSE RADIO messages from Howey mine are more dynamic than static in their effect on the market.

* * *

OUR IDEA of co-operation would be for Father Macdonnell and the new Orange immigration commission to work together.

* * *

SUNDAY newspapers in the United States are not increasing their circulation so rapidly as formerly. Reading of some of them suggests why.

* * *

MOST PEOPLE who oppose capital punishment seem to think that "judicial murder" is worse than the kind of murder for which people are hanged.

* * *

DOMINION and provinces have asked the courts to say who owns the air. Neither group of politicians has any monopoly on that part of it that is hot.

* * *

MR. FORKE, discussing immigration, impresses one with his sincerity and honesty of purpose but equally with his timidity in the handling of this great national work.

FOLKS and Finance

AT ONE time Sir Donald Mann saved the C.P.R. It was at that early critical time when the fate of the great railway enterprise hung by a single thread. It was anybody's guess as to whether it would pull through or not. Money was scarce. There was not even enough to pay the construction gangs. James Ross and Herbert Holt and the other contractors and engineers could not pay to the workmen what they were not getting from the company; the company could not pay the contractors what its banks would not loan; the bankers would not advance what the government was not prepared to support. And the government at Ottawa was ready to wash its hands of the whole deal. George Stephen was fighting hard to keep the government from following its inclination.

Out in the Rockies, the men began to get uneasy. Food was none too plentiful and of money there was practically none at all. One day they threw down their tools and said they would not work any more. That was not too bad, but a few hot-heads decided to go further. They called the men together, and urged them to tear up the railways that had been laid, to burn the ties and bridges, wreck the construction camps, and once and for all get back at the C.P.R. Such an insurrection would undoubtedly have spread along the whole line. And a few hundred thousand of damage at that stage of the game would finally have wrecked the tottering credit of the C.P.R. and put the quietus on the plans of the promoters.

Down from the hills came a massive, black-bearded, shaggy-haired giant who had been cutting lumber under contract for the railroad builders. He climbed aboard a construction car and harangued the workmen. His language was picturesque and informative, but none too sweet. He told the men to get back to work; he would see that they got every cent that was coming to them. He would see that they were fed if he had to buy out of his own money every steer on the plains. The men went back to work. "Dan" Mann, then about thirty, had saved the day by oratory.

SELDOM does an Empire representative touch such a responsive note, as that struck by the Right Hon. L. C. M. S. Amery, when he visited Montreal last week. Facing a representative gathering of business men at the Canadian Club dinner, this ambassador extraordinary rose to his feet and for a good five minutes spoke in delightful French that made a many good Montrealers blush for shame. Finally he asked his French-Canadian listeners to pardon him if he returned to his mother tongue, and with perfect ease made his plea for an Imperial Canadian nation.

This practical expression of understanding on the part of one who is playing such a large part in moulding Canada's destiny in the Empire, cannot but be well received by Canadians who are working to unite Canada under the Imperial tie.

How many native Montrealers could have acquitted themselves with such charm and grace as this enthusiastic Imperialist? A great many found difficulty in even following the well-turned French phrases of Col. Amery, without counting those who were utterly incapable of making such a speech themselves.

POST-scripts

AT COLLEGE he took his B. A. his M.A. and if the war had not broken out he would have written for his Ph.D. But he went overseas, became a W. O. and later an officer, serving as R. T. O., and came home with an M.M. and M.C. He joined a brokerage office and soon was well versed in the mysteries of IK, GM, GK, AG, X and Z. At night he sought recreation by his radio, bringing in WEAF or CFCA, or perhaps in reading his favorite novels "K" and "The Scarlet Letter." His favorite play was "R. U. R." His was a sad end. He told his clients to sell IK at 70 and they did. So they shot him. On his tomb one sees engraved R.I.P.

FOUR girls in Montreal, holding rather substantial and confidential positions, while away one evening each week with different series of bridge games. Each series lasts three months.

The interest is in the prize which they hang up. Being in important positions they get information about what is what in the stock market. At the start of the series they all chip in and purchase a block of stock in some issue that looks to have good speculative possibilities. They start playing for it. The series just drawing to a close is for a block of 50 shares of International Nickel which they purchased last summer at around $52 per share. Nickel is now selling at 95. The winner of this pot will have put up $650 and the prize at to-day's market is worth $4,750, which means that the winner will take down stock showing a paper profit to-day of $4,100.

EXPLAINING one reason for the high cost of business:

An investor who some time ago closed his account with a broker, on January 15th received a bill for two cents, from the broker's auditors.

The investor thereupon wrote this letter:

Messrs. Blink, Blank, Klink & Bink,
Toronto 2, Ont.
Gentlemen,—
Enclosed please find two-cent postage stamp in full payment of my account.
Kindly acknowledge.
Yours for exactitude.

By return mail came the receipt.

"Stop Me If You've Heard This One"

Motorist—How do you figure that five gallons of gas at 20 cents a gallon make $1.06?

Filling Station Attendant—The price went up to 22 cents before I put in the last three gallons.

Canadian Farmer Boy Heads Big Stock House

John Muir of Wall Street, sprung from an honorable ancestry, was born in 1847, in a log cabin near Scarborough, Ontario. Not long after his mother was left penniless and with six children, three of whom were entirely dependent on her. When John was nine he helped his mother with the other children and at 12 his mother notified him that he would have to leave school, where he was an honor student, and help support the family. "All right, mother, I'll help," was his reply.

He went to Hamilton to work at $2.50 a week, studied stenography and became an expert. At nineteen he was head of a clothing store in Belleville, Ontario. As assiduously as he worked, he read and studied during his spare time. He went to the United States in 1869, married, went to Chicago and found work as a stenographer in a Detective Agency (Pinkerton's). Later he went into the railroad business and was soon made assistant general freight agent of the Kansas Pacific R. R. One day in New York, in 1897, his friend "Old Huntington," then traffic manager of the Atlantic Coast business of the Pacific Mail Steamship Company, gave John Muir a seat on the New York Stock Exchange.

And a member of the New York Stock Exchange is John Muir to-day, after years of stockbroking adventure. In 1907 he organized a new method, and John Muir and Company became specialists in "Odd Lots"—anything under a hundred shares, the unit of trade on the floor of the exchange. To-day, thanks to John Muir, anyone may buy as little as one share of stock, thus providing a safe place for the small investor and trader.

Investments Abroad Made by Canadians Total $1,362,000,000

Enormous Figure Reached — Investments Abroad During 1927 Continued to Show Steady Growth

By KENNETH W. TAYLOR, Lecturer in Economics
A chapter from the forthcoming Financial Post Year Book of Canadian Business

Canadians have in the past few years increased their investments in foreign countries very remarkably. We have always had considerable investments abroad, such as banking balances in London, New York, and elsewhere, railway lines in the United States, and investments in foreign securities by banks, insurance and other companies, as well as by private individuals whose funds must be invested in safe and well-diversified lists of securities.

The following tables give the Canadian investments abroad, as of January 1, 1924, and January 1, 1927, estimated as carefully as the data available will permit.

1924

	Total	In U. K.	In U.S.	In O. C.
Govt. loans and balances....	$ 63,400,000	$20,700,000	$ 2,700,000	$40,000,000
Bal. of chartered banks	90,400,000	18,000,000	54,300,000	18,100,000
Foreign securities held by chartered banks	110,100,000	50,500,000	36,600,000	23,000,000
Insurance & trust com's	114,300,000	14,500,000	58,500,000	41,300,000
Direct rly. and indust. invest.	233,000,000	1,600,000	139,200,000	92,200,000
Miscellaneous investments ..	175,000,000	10,000,000	115,000,000	50,000,000
Total	786,200,000	115,300,000	406,300,000	264,600,000

1927

	Total	In U. K.	In U. S.	In O. C.
Govt. loans and balances....	$ 43,800,000	$ 300,000	$ 7,500,000	$36,000,000
Balances of chartered banks	260,600,000	52,200,000	156,300,000	52,100,000
Foreign securities held by chartered banks	89,200,000	37,300,000	21,600,000	30,300,000
Insurance & trust comp's	242,000,000	14,000,000	150,000,000	78,000,000
Direct rly. and indust. invest.	257,700,000	1,700,000	146,400,000	109,600,000
Miscellaneous investments ..	360,000,000	10,000,000	195,000,000	155,000,000
Total	$1,253,300,000	$115,500,000	$676,800,000	$461,000,000

Investments During 1921

As in the case of foreign investments in Canada, only tentative estimates can at this early date be made of increases in Canadian investments abroad during 1927.

It is estimated that the Canadian public absorbed about $50,000,000 of new foreign bonds during the past year. An estimate of $25,000,000 for the increase in insurance companies' holdings is a conservative one in the light of the experience of the past four years. Canadian syndicates continue to extend their interests in foreign power and public utility fields, and during the past year entered the French power field to the extent of several million dollars. An estimate of $10,000,000 for increases in direct industrial investments abroad seems reasonable. Balances of Canadian chartered banks abroad at end of November, 1927 (the latest month available) were $270,400,000, an increase of $9,800,000. Other items are probably practically unchanged.

Total Over $1,300,000,000

Having regard to these and such other data as are available the following preliminary estimate of Canadian investments abroad as of January 1, 1928, is made:

	Total	In U. K.	In U. S.	In O. C.
Govt. loans and balances ..	$ 43,000,000	....	$ 7,000,000	$36,000,000
Balances of chartered banks	270,400,000	54,000,000	162,200,000	54,200,000
Foreign securities held by chartered banks	89,000,000	37,000,000	22,000,000	30,000,000
Insur. & trust companies	267,000,000	15,000,000	165,000,000	87,000,000
Direct rly. & indust. invest.	268,000,000	2,000,000	151,000,000	115,000,000
Miscellaneous investments..	425,000,000	10,000,000	215,000,000	200,000,000
Total	$1,362,400,000	$118,000,000	$722,200,000	$522,200,000

Interest and dividend receipts on Canadian investments abroad have been estimated at $63,000,000 for 1926, divided as follows: From the United Kingdom, $6,000,000; from the United States, $34,000,000, and from other countries, $23,000,000.

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CANADIAN NATIONAL RAILWAYS

Comments

Remarkable Remarks by Interesting People

Premier Stanley Baldwin: "In Canada I never heard a single man or woman grouse."

Sir Henry Thornton: "In Canada we have no place for the amateur doctor in social affairs."

William T. Cosgrave, president of Irish Free State: "Ireland makes the best whiskey in the world."

Julia Sanderson, musical comedy star: "Life consists pretty much of working and getting ready to work."

T. A. Crerar, president, United Grain Growers: "The day will come when we will produce a billion bushels of wheat."

Frederick Muir, traveler, writes: "An adequate history of the effect of insects upon humanity has yet to be written."

Emma Goldman, anarchist, discussing her relations with Alexander Borkman: "Our friendship was far above marriage."

An un-named British Statesman: "We suffer from a plague of Rear Admirals in this country, and apparently the United States does the same."

J. A. Spender, British journalist: "If the newspapermen of the United States had complete control of their journals, the newspapers of the country would be truly great."

Rear Admiral C. P. Plunkett, U.S.N.: "If I read history correctly, and what we are doing to-day, we are nearer to war to-day than we have ever been in our history, because we are too damned efficient."

Wickham Steed, former editor of London Times: "I do not believe it is possible to exaggerate the potential gravity of the present situation in which the United States and Britain are involved. We are in a dangerous and difficult position."

J. B. Reynolds, president, Ontario Agricultural College: "Conditions of forty years which required a large measure of frugality on the farm developed qualities in young people not found to-day. I fear the effect of prosperity on the farms."

Lord Clinton, Chairman of Forestry Commissioners of Britain: "The main hope for forestry around the Empire is to educate the public and keep successive governments alive to the importance of a continuous policy of making provision for the future."

An Editor Comments on Banking Salaries

Editorial in St. Catharines Standard

The Financial Post of last week devoted a column to the discussion of the salaries of bank clerks in Canada, a discussion precipitated by the discovery of a theft of $300 by a lad at Ottawa who was a teller in a small branch and received $40 per month. It is declared that this case is most exceptional, and the salary of a teller in the smallest hamlet in Canada is $900, and on the average much greater.

Sir John Aird takes the view that the bank shareholders only receive from four to six per cent. on their investment in bank shares. An increase of ten or twenty-five per cent. in bank clerks' wages would wipe this dividend out. It is urged that the young man who enters the bank service and who is prompt at his duties in the morning and who will remain after closing hours to clean up his tasks in toto, is bound to advance very rapidly in the service. It is complained that the bank clerk is too much given to sport and does not take his work seriously enough. The complaint may be quite true, but it also applies to commercial staffs. It is the trend of the age.

The banks declare that they start a young man off with $500 per year and provide an increase every six months. That increase comes through as long as the young fellow is in service, until a maximum is reached. There is, of course, a pension fund to which the clerk as well as the bank contributes, and in some cases, the bank carries insurance, also provides living quarters. One bank in this city charges the clerks for the use of the quarters provided.

The discussion has brought out one statement which will be of interest. The bank officers declare that they would like to afford an increase all round to their clerical force, which goes to show that the need is recognised. With all the explanations provided, however, it will be generally agreed that a smart, energetic young man will probably fare better in other walks of life than in banking, if he applies himself to his task. He will obtain a competence and independence in this growing country far more quickly in commercial pursuits than in the paternalistic system of the chartered banks. There is the possibility, however, of the banks some day charging more for their ordinary services to the public than they do at present. In that event, the clerks have the promise of higher remuneration, which is another new angle to the discussion.

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LIMITED

Chairman:
THE RIGHT HON. R. McKENNA
Joint Managing Directors:
FREDERICK HYDE EDGAR W. WOOLLEY

Statement of Condition
December 31st, 1927

RESOURCES	$5 = £1
Cash in hand and Due from Banks	$342,025,233·56
Money at Call and Short Notice	137,545,385·25
Investments	177,177,650·44
Bills Discounted	246,573,891·31
Advances	1,032,439,551·29
Liabilities of Customers for Acceptances, Confirmed Credits and Engagements	184,987,972·37
Bank Premises	38,178,229·98
Investments in Affiliations	33,332,444·73
	2,192,260,358·93

LIABILITIES	
Capital Paid up	63,328,990·00
Surplus	63,328,990·00
Deposits	1,880,614,406·56
Acceptances and Confirmed Credits	100,802,473·52
Engagements	84,185,498·85
	2,192,260,358·93

Together with its affiliations the Midland Bank operates 2410 branches in Great Britain and Northern Ireland, and has offices in the Atlantic Liners *Aquitania, Berengaria* and *Mauretania.* The Foreign Branch Office at 196 Piccadilly, London, is specially equipped for the use and convenience of American visitors in London.

AMERICAN DEPARTMENT: POULTRY, LONDON, E.C. 2

HEAD OFFICE: 5 THREADNEEDLE ST., LONDON, E.C. 2

Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post

WEEKLY REVIEW OF CONDITIONS

Lower Federal Taxation Forecast by Prime Minister
Dollar Volume of Business Establishes High Mark in 1927
New Building Undertaken in January Best in Years
Small Stocks Presage Activity in Iron and Steel
Employment Records Contraction, but Generally Sound

FURTHER reduction of Federal taxation, which has been forecast in this column, will be forthcoming shortly, judging by the remarks made by the Prime Minister at the opening of the present session. The matter is in the hands of the Finance Minister, who will not be able to present his budget for another two or three weeks.

Meantime rumors have been circulated as to the Government's intention in the matter of taxation. Considerable credence has been given to the report that the excise duty on tobacco and liquors will be cut. Sales and income taxes which bear heaviest on business, have not been discussed. The necessity and importance of readjusting the latter is appreciated by the Government, and will undoubtedly be acted upon.

Substantial reductions are anticipated in view of the country's improved financial position. Not only was there a heavy redemption of maturing obligations last fall, but customs duties and revenues from other sources have been greater than expected. Moreover, the drain on the national treasury to meet the deficits of the Canadian National Railways has been lightened so that more attention can be paid to lowering taxation.

Business Is Satisfactory

Business in general continues along satisfactory lines. The dollar volume of business in December reached a new high point, bank debits exceeding the previous maximum attained in November. The increase in debits over the preceding month was 3 per cent., and this percentage would be more than doubled if adjustment were made for seasonal tendencies. Debits are normally 4.5 per cent. less in December than in November. Consequently, the increase between November and December, after adjustment, would be about 7.5 per cent.

It is now possible to make a comparison between 1927 and 1926 on a "dollar volume" basis. For the whole of last year bank debits were 19 per cent. greater than in the previous year. The increases over 1924 and 1925 were 33 per cent. and 28 per cent., respectively. While increases were shown in each of the economic areas in 1927, the greater part of the gain was in Quebec and Ontario, where the advances were 27.6 per cent. and 22 per cent., respectively. British Columbia recorded a gain of 4.8 per cent., the Prairie Provinces 4 per cent., and the Maritimes 3.8 per cent.

Employment Situation Sound

In line with the increased bank debits, there has been a corresponding improvement in employment. The number of workers employed in recent months has been maintained at an exceptionally high level, so that many employers took advantage of the opportunity of closing their entire plants during the holiday season for necessary repairs and inventories, as well as to provide a vacation for their staffs. The situation on January 1st, however, continued to be better than on the corresponding date in any other year since 1920.

As is to be expected at this time of the year, employment in manufacturing, construction, transportation and logging reports seasonal contractions, while coal mines show improvement. Accordingly, all provinces reported declines at the beginning of January, those in Quebec and Ontario, where manufactures are an especially important factor, being most extensive.

January Building Heavy

While favorable weather conditions at many points permitted construction work to proceed during January in volume not previously experienced in mid-winter, the large total of $20,480,000 for contracts awarded throughout Canada is taken to be a further indication of an exceptionally good year ahead. A real soundness is behind all branches of the industry, and numerous contracts are now under way or proposed.

The aggregate grand total of contracts awarded, compiled by MacLean's Building Reports, shows that building is more active in Ontario than in the other provinces. The Prairie Provinces, British Columbia and the Maritimes are comparatively inactive which is not surprising in view of climatic conditions prevailing in those areas. Quebec, on the other hand, reports a good volume of building, although not up to the mark set by Ontario.

Industry Outlook Better

Conditions in the iron and steel industries have not been as promising in recent months as the general situation would warrant. In the first half of the year production of pig iron recorded a substantial gain over the corresponding period of 1926, but in the last half of the year, there was a steady decline in output. During the whole of last year, the amount produced was about 7 per cent. less than in the previous year.

The output of steel showed considerable improvement at 907,638 tons, as compared with 776,888 tons in 1926. The gain here was due mainly to the increase in tonnage required for rails and other railway equipment, and to a better demand from the construction, machinery and agricultural implements industries.

The decline in pig iron production must have been accompanied by a depletion of stocks on hand at the various works, since the bulk of pig iron made in this country goes into the manufacture of steel and the aggregate output of steel was up 17 per cent.

That such has been the case is evidenced by the fact that in December, production of pig iron amounted to 63,197 long tons, an increase of 66 per cent. over the 37,989 tons of ..ovember, and 17 per cent. over the 53,971 tons made in December of a year ago.

Six furnaces, having a daily capacity of 2,375 tons per day or about 47 per cent. of the total capacity of all blast furnaces in Canada, were in blast on January 1st, last.

Freight Movement Up

One of the most encouraging indications of the trend of business this year, is to be seen in loadings of revenue freight. During the week ended January 21st, 63,786 cars were loaded. While this was a slight decline from the preceding week, comparison with the corresponding week of 1927 or 1926 shows an increase.

Cumulative records for the first three weeks of the current year denote an increase in loadings over the two preceding years. Further analysis shows that the grain, coal, coke, pulpwood, other forest products and ore divisions had a heavier movement of freight so far this year than for the same period in either 1927 or 1926. Miscellaneous, merchandise, pulp and paper and livestock, show little improvement, while loadings of lumber are lower.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest 1927	Latest 1926	To Date 1927	To Date 1926
Production—				
Pig iron, tons (Dec.)	63,197	53,971	109,697	757,817
Steel, tons (Dec.)	96,248	58,493	907,638	776,888
Newsprint, cwts. (Dec.)	181,600	163,177	2,086,949	......
Automobiles (Dec.)	3,485	7,725	179,426	205,092
Boots and shoes, pair (Nov.)	1,408,979	1,525,739	16,319,997	15,999,256
Flour, bbls. (Nov.)	2,120,116	..(3 mos.)	6,810,910	6,998,727
Construction—				
Contracts awarded (Jan., 1928)				$20,480,000
Building permits (Dec.)	$11,744,094	$11,508,818	$185,451,271	$156,386,607
Labor—Employment index, Jan., 1928—			99.5	94.8
Transportation—				
Car loadings (to Jan 21, 1928)	12,003	7,287	36,815	27,805
C.P.R. gross (Dec.)	$18,767,251	$17,791,980	$201,145,751	$198,025,591
C.P.R. (net) (Dec.)	1,673,166	1,616,182	39,515,571	44,945,126
C.N.R. gross (Nov.)	$28,699,965	$23,501,587	$243,408,396	$240,213,168
C.N.R. net (Nov.)	6,777,333	7,191,257	40,118,930	44,334,776
Elec. Power—Generated—				
Thousand kil. hours	1,082,126	1,015,119	11,026,118	10,129,503
Population—				
Emigration (Nov.)	7,055	.....	(5 mos.)	39,549
Immigration (Dec.)	4,566	5,415	*128,928	*114,035
Trade (Dec.)—				
Imports	$83,262,695	$81,774,995	$1,087,117,930	$1,008,341,911
Exports	130,277,157	138,421,475	1,218,336,773	1,268,581,976
Imports of key products (Dec.)—				
Rubber, lbs.	5,156,384	..(12 mos.)	59,145,951	45,366,960
Cotton, lbs.	19,198,230	..(12 mos.)	136,232,068	134,690,811
Sugar, cwt.	247,007	..(12 mos.)	9,539,653	11,299,111
Petroleum, gals.	67,625,527	..(12 mos.)	804,133,751	667,627,576
Coke, tons	58,863	..(12 mos.)	772,235	988,034
Exports of key products (Dec.)—				
Newsprint, cwt.	3,384,043	..(12 mos.)	37,637,308	34,639,718
Automobiles, pass. (No.)	1,857	..(12 mos.)	39,900	53,628
Wheat, bush.	44,808,700	..(12 mos.)	255,062,225	250,116,414
Wheat Flour, bbls.	956,762	..(12 mos.)	9,262,936	10,456,916
Finance—				
Failures, number	.....	.....	2,182	2,196
Failures, liabilities	.....	.....	$34,461,595	$27,082,882
Bank Debits, (Dec.)	$4,274,077,902	$2,843,153,843	$36,093,503,098	$30,358,034,018
Bond Sales (Dec.)	$16,711,620	$13,026,009	$617,114,900	$573,229,879
Stock prices index (Jan. 7, '28)	....	....	597.3	229.3
Insurance sales (Dec.)	$48,899,000	$46,777,000	$502,438,000	$471,040,000
Wholesale prices (1913-100)—				
General Index	....	....	151.6	156.2
Iron (Nov.)	....	....	141.1	145.7
Cotton	....	....	165.7	106.5
Grains	....	....	163.1	158.0
Cattle	....	....	127.1	91.7
Rubber	....	....	60.9	64.8

*Nine months.

Business Conditions in United States

Business in the United States during the week ended January 21, as indicated by figures covering cheque payments, was considerably higher than in the corresponding week of 1927, but showed a decline from the preceding week, according to the weekly statement of the Department of Commerce. The general level of wholesale prices advanced over the previous week but was still below the level of last year. Prices for cotton again weakened, as compared with the previous week, but were still considerably higher than in the corresponding period of a year ago. Iron and steel prices were stronger than in the previous week but averaged lower than in the same week of 1927. Receipts of cotton in sight were smaller than in either the previous week or the corresponding week of last year. The daily average of new building contracts awarded showed smaller value than in the previous week but was higher than in the same week of last year.

Output of bituminous coal during the week ended January 14 was higher than in the previous week, but smaller than in the corresponding week of last year. Lumber production during the same week showed increases over both prior periods. Petroleum production continued to recede, being lower also than in the same week of last year.

Weekly Business Indicators
(Relative numbers, average 1923-25=100)

	1928 Jan. 14	1927 Jan. 15
Bituminous coal production	111.5	139.3
Lumber production	97.3	85.9
Beehive coke production	36.7	73.9
Petroleum production (daily average)	113.9	114.8
Freight car loadings	....	99.1
Bldg. contracts 37 states (daily average)	86.0	78.2
Wheat receipts	62.5	60.0
Cotton receipts	83.1	150.8
Cattle receipts	93.4	93.0
Hog receipts	109.4	110.6
Price No. 2 wheat	100.0	....
Price cotton middling	71.7	49.6
Price iron and steel composite	85.1	91.3
Copper, electrolytic, price	100.0	94.9
Fisher's price index	92.6	93.4
Bank loans and discounts total	123.6	115.4
Debits to individual accounts	139.0	120.4
Interest rates, call money	100.0	103.0
Business failures	154.3	142.8
Stock prices	184.9	142.9
Bond Prices	110.0	107.8
Interest rates, time money	97.1	102.9
Federal reserve ratio	91.2	97.3

P. Lyall & Co. Granted Montreal Island Contract

From Our Own Correspondent

MONTREAL.—The P. Lyall & Sons Construction Company has increased the volume of work which it has on hand by a gross value of some $2,500,000 by obtaining the contracts to erect the dams, waterways and power house of the Montreal Island Power Company. The company is also endeavoring to obtain other substantial contracts both in Canada and elsewhere. It is said that work may be resumed on the new Montreal Customs House, the foundations of which were excavated some years ago by the company and the foundations of which stand ready to carry the building itself. Negotiations, so it is understood, are still pending for a large contract outside Canada. P. Lyall shares have recently advanced.

December Sea Fish Catch Tops Same Month in 1926

Total catch of sea fish on both the Atlantic and Pacific coasts during December was 71,653,800 pounds, valued at $1,132,437, compared with 54,836,700 pounds, valued at $933,278, during the corresponding period in the preceding year.

Increased catches of cod, Haddock, hake and cusk, but the principal increase was the herring on the Pacific Coast.

On the Atlantic coast the total quantity of cod, haddock, hake and pollock landed was 11,178,500 pounds, compared with 9,775,900 pounds in the same period of 1926.

There were 324,400 pounds of lobsters taken during the month, compared with 285,600 pounds taken during the same month of the year previous. The catch was all shipped in shell. Since the opening of the present season there have been 576,200 pounds, compared with 514,700 pounds in the same period of the preceding season.

Get all the facts before investing

ONE brick does not build a house, and one annual report of a corporation is not sufficient information upon which to build an investment program. An important function of our Service is to gather and interpret important financial facts and to watch over the investments of investors and banks year after year.

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W. JOHNSON QUINN President

This issue having been oversubscribed this announcement appears as a matter of record only.

$100,000
Holliday Breweries, Limited
Brewers and vendors of an old stock ale known by the trade name of "East Kent Ale"
7% Cumulative Redeemable Preferred Stock
(Par value $100 per Share)

The cumulative redeemable preferred stock is issued fully paid and non-assessable. Preferred as to assets and dividends. Entitled to preferential cash dividends at the rate of 7% per annum, accruing from 1st January, 1928, payable quarterly on the First day of April, July, October and January. Callable in whole or in part at $110 per share on any dividend date on thirty days' notice, or may be purchased in the open market at any price below $110 per share.

CAPITALIZATION

	Authorized	Issued
7% Cumulative Redeemable Preferred Stock	$250,000	$136,000
Common Stock (without nominal or par value)	50,000 shares	50,000 shares

The Company has no bonded indebtedness.

DIRECTORS
ROBT. COMBS, ESQ., TORONTO, PRESIDENT.
President, Prest-O-Lite Storage Battery Co., Limited.
WM. HOLLIDAY, GUELPH. Brewmaster
GEO. R. GRIFFIN, TORONTO. Managing Director, Mortgage Discount Limited
F. R. RAMSEY, GUELPH. President, Biltmore Hat Co., Ltd.
W. H. DUMART, KITCHENER, ONT. President, Haines Wiltshire Oil Co. Limited
ALLAN MACLURE, TORONTO. Willys-Overland Sales Co., Ltd.
WALTER WALTERS, TORONTO. Toronto Auto Body & Fender Co.
Secretary, R. M. BIRD, TORONTO
Manager, J. H. McQUARRIE.

Transfer Agents and Registrar:—Trusts & Guarantee Co., Ltd., Toronto.
Solicitors for Underwriters: Starr, Spence & Hall. Solicitors for the Company: Price, Cochrane & Co.

The Holliday Breweries, Ltd. has been incorporated to acquire the buildings, springs, trade marks, secret formulae and good-will of the Holliday Brewing Co. of Guelph, Ont., a Company established in 1856 and successfully operated through three generations of the Holliday family. With the passing of the Ontario Temperance Act the Company ceased to operate rather than chance running foul of the laws of the Province.

The present issue is for the purpose of rehabilitating the plant, increasing the capacity and providing working capital. Wm. Holliday will again be in charge of the brewing, and the identical process, materials and spring water will be used.

A careful survey of the market finds the reputation of the product in no way diminished.

We would be pleased to forward complete circular upon request.

We offer this stock if, as and when issued.

PRICE: $100 per Share,
with a bonus of Five (5) shares of no par value Common Stock with each share of Preferred.

Application will be made in due course for trading in these securities on the Unlisted section of the Toronto Stock Exchange.

R. M. BIRD & COMPANY
INVESTMENT BANKERS
Phone Elgin 4391 Elgin 1817
302 BAY STREET, TORONTO, 2

Atlantic Sugar Refineries LIMITED
Lantic Sugar
General Offices
211 McGILL STREET
MONTREAL
Refineries - St. John, N.B.

BANKERS' INVESTMENTS
AGENTS IN:
ENGLAND — Lloyds Bank, Limited, London and Branches.
SCOTLAND — The Commercial Bank of Scotland, Limited, Edinburgh and Branches.
IRELAND—Northern Banking Co., Limited, Belfast and Branches.
FRANCE — Lloyds and National Provincial Foreign Bank, Limited, Credit Lyonnais.

When you are interested in high-grade securities, consult the manager at any Branch of the Bank. Service to the public, buying and selling, is arranged by the manager through the Bank's Bond Department at Head Office. This means that any security selected through our service is a bankers' investment.

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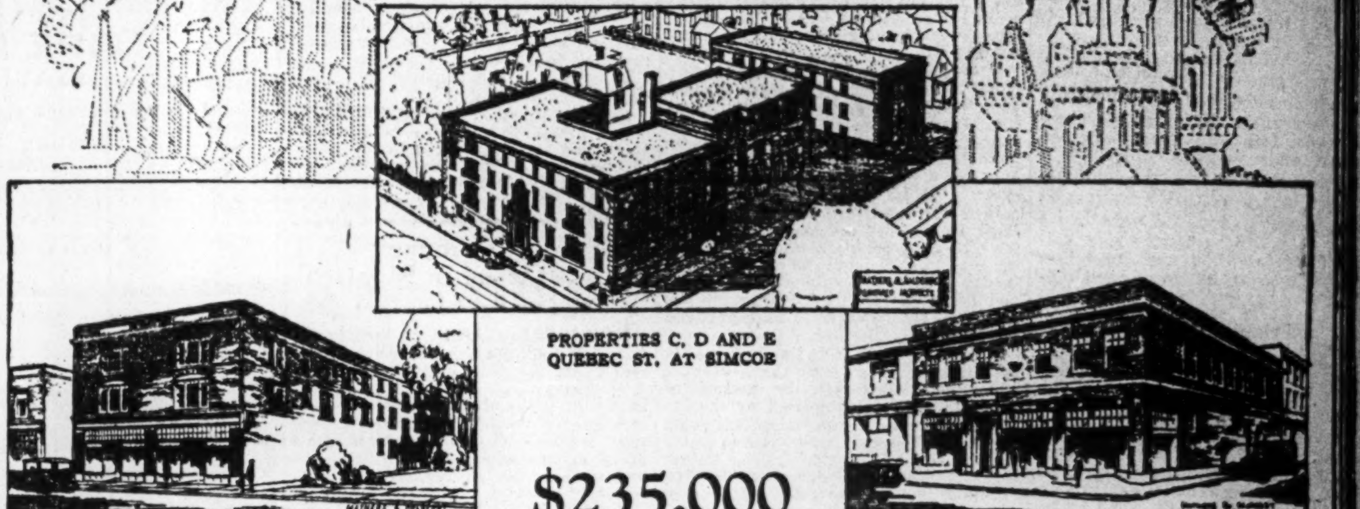

PROPERTIES C, D AND E QUEBEC ST. AT SIMCOE
PROPERTY B—82 SIMCOE STREET SOUTH
PROPERTY A—COR. KING AND CELINA STS.

$235,000
Oshawa Buildings, Limited
Fifteen year, sinking fund, first mortgage gold bonds bearing interest at
6½%
Dated January 2, 1928 Maturing January 1, 1943
Principal and semi-annual interest payable at the Bank of Montreal in Oshawa, Toronto, Montreal, Guelph and Stratford

Five Buildings: Oshawa Buildings, Limited, is the owner of three separate areas of land, centrally located in Oshawa City. On two of these areas one business block and one apartment house have been erected and are now producing revenue. Three additional apartment houses are now being constructed.

Locations: The business block (the Disney Building) is situated at the southeast corner of King and Celina Streets in the main business section. The apartment house, described as property B, and which is now being erected on the west side of Simcoe Street, is two blocks from King Street. Three other apartments, described as properties C, D and E, of which D is now completed, are also on Simcoe Street, less than five minutes' walk from the heart of the city.

Actual and estimated revenue: The Disney Building, now fully rented in stores and offices, brings in an annual net revenue of $7,000. The apartment house, now completed, is producing $4,500 net per annum. The net revenue from the other three apartment houses is estimated at $28,500, making a total net revenue of $40,000. This net revenue is more than two and a half times the annual bond interest requirements of $15,275.

Valuation: W. N. Lonsdale, real estate valuator, valued the properties under date of October 24, 1927, at $391,850.

Sinking Fund and Reserve Fund: An annual sinking fund of $8,000, plus interest on redeemed bonds, has been provided. As an additional safeguard for the bondholders a special reserve fund of $15,000 is to be set up.

Trustee: Chartered Trust and Executor Company, Toronto.

We recommend these first mortgage bonds as a sound investment in a steadily growing, prosperous community. Write or telephone us for further particulars.

Price: 98.50 and accrued interest, yielding 6.67%

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"Older than the Dominion of Canada"

Branches in Five Provinces

And now—the 64th Annual Account of Huron & Erie Stewardship

	End of 1927	Increase for past year
Total Assets	$42,013,000	$2,455,000
Huron & Erie Trustee Debentures issued in Canada	21,776,000	1,844,000
Savings Deposits	9,851,000	1,204,000
Capital and Reserve Fund	7,500,000	150,000

(Surplus security for depositors and debenture owners)

Savings depositors and owners of Huron & Erie debentures have first claim upon every dollar of our assets. And these assets are greater by over $7,500,000 than the total of deposits and debenture investments. The Huron & Erie is government chartered and inspected. Its books, accounts and securities are independently audited by chartered accountants appointed each year by the shareholders at their annual general meeting.

4,470 new savings accounts—680 of which were "either or survivor" joint accounts—were opened during the year. Over 5,000 Huron & Erie trustee debentures were issued. And the amount invested by Canadians in our Debenture department during 1927 averaged more than $21,500 for every working day of the year.

Your deposit account and investment transactions are cordially invited by the officers of this dependable institution—guardian of savings for 64 years.

The Huron & Erie MORTGAGE CORPORATION
London (four) Toronto Hamilton Windsor St. Thomas
Chatham Winnipeg Edmonton Regina Victoria
T G. Meredith, K.C., Chairman of the Board
Hume Cronyn, President
M. Aylsworth, General Manager

On duty for 64 years

Insurance for Buyer and Seller

SUN LIFE ATTITUDE ON PREMIUM RATE IS FULLY OUTLINED

Prefers to Charge Substantial Premiums and Repay by Dividends

1928 PLANS MADE

Will Not Reduce Premiums Unless Demands of Competition Force Company to do so

From Our Own Correspondent

MONTREAL.—"Premium rates on participating life insurance policies could be reduced with safety," Arthur B. Wood, vice-president and actuary of the Sun Life Assurance Company, told The Financial Post. This does not mean, however, that the Sun Life, which is the largest Canadian life insurance company, is going to reduce its rates.

On the contrary, Mr. Wood stated to The Financial Post that it has always been the policy of his company to charge a substantial premium rate that is considerably in excess of what may be actually needed and by this plan to build up very substantial reserves and surplus funds which not only are distributed to the policyholder in the form of dividends, but go to build up a strong and substantial organization. The company is, therefore, in a position to withstand any fluctuations that may occur in the business, and with this background, believes it can give insurance to its policyholders at the lowest possible net cost.

As regards the future, Mr. Wood stated that the policy of his company would be the same as in the past and that the Sun Life would not be affected by the present tendency to reduce the premium on participating life insurance policies, unless actually forced to do so by the demands of competition.

This stand seems to be strengthened by the plans which the company has already laid for the year 1928, and which are believed to include an even larger increase in the rate of dividends paid to policyholders than took place in 1927, and also an important change in the method of computing the amount of dividends that can be paid or distributed to the policyholder. If this increase in dividends goes through, it will be the eighth successive year that the Sun Life has increased its scale of dividends.

Most Successful Year

There is no doubt that the Sun Life is well able to increase its dividend returns to policyholders. The company has just completed the most successful year in its history; although the actual figures have not yet been announced, it is generally understood that the company has shattered all records in the amount of life insurance which it has written, not only in Canada, but also in other countries.

Not only is this true but the Sun Life is the only Canadian company which has followed the practice of investing a very large proportion of its assets in common stocks. Obviously the company's policy of investing in stocks has been along strictly conservative lines. Indeed, under the present Dominion restrictions, this could not be otherwise for no life insurance company operating under a Dominion license is allowed to invest in the common stock of a company that has not paid regular dividends for at least seven years.

Out of invested assets amounting to approximately $250,000,000, the company in 1926 held some $83,000,000 in common stocks which show an appreciation of some $20,000,000 between ledger market values.

In other words, then, the company has been extraordinarily successful within recent years, not only in its ability to write a tremendous volume of business at high premium rates, but also in its investment policy.

Substantial Dividend

The basic principle, upon which the company is operated, is the charging of this high premium rate, but the returning of a very substantial dividend at the end of the year which gives the policyholder his insurance at what is practically the lowest net cost of any company operating in Canada.

According to Mr. Wood, this policy, which the company has followed with success, is to be continued and there is no thought in minds of Sun Life executives of altering their present plans unless absolutely forced to do so by the competition of the other life insurance companies.

To what extent this competition will affect the Sun Life is a matter for conjecture, but the very fact that the company has built around itself tremendous reserves and also because it writes a good type of business, and has been exceedingly successful in its investment policy, it would seem unlikely that the Sun Life will find itself forced to meet this competition for the present at least.

Evidently the theory, upon which the company has built its business, centres round the idea that by charging a high rate of premium, it would have at its disposal large sums with which could be built up a tremendously strong financial institution. The achievement of this financial strength—especially with the conditions that have prevailed in the markets for the past two years—has allowed the company to return a very substantial portion of these profits to its policyholders and thus, of course, reduce the net cost of the insurance policy.

All-Round Satisfaction

Speaking generally, this policy has brought prosperity to the company, on a very large scale. On the one hand, the company's agents are well satisfied because under a high premium policy their commissions are generous. Policyholders are apparently well pleased because they receive an increasingly large dividend return each year on their life insurance investment, and finally, the shareholders are more than content because, with the increasing amount of money available for shareholders' account, the price of their shares has soared to tremendous heights.

On the other hand, however, Mr. Wood admits that participating premium rates could be reduced with safety, in spite of his company's belief that it would not be in the interests of the policyholder to reduce these rates.

ONT. EQUITABLE BUSINESS IN FORCE OVER $36,700,000

Company Nears Interesting Position for Shareholders, Hints Tweed

Ontario Equitable Life and Accident Insurance Company again increased its business during the past year and wrote $8,540,904 of new insurance. In 1926 the amount written was $7,789,416.

Company now has in force $36,733,795 of life insurance, an increase of $3,700,000.

For the first time, net premium income of the company crossed the million dollar mark while income from interest was over $200,000.

In a letter to shareholders S. C. Tweed, president, states that expense ratio decreased during the year, although, due to certain heavy accident claims, the death payments were heavier than expected. A surplus of $224,260 over all liabilities including capital is shown which is smaller than last year. Mr. Tweed forecasts a good year for 1928 and points out that the net premium income is beginning to show an earnings margin for shareholders.

Comparative figures are given below:

	1927	1926
New insurance	$ 8,540,904	$ 7,789,416
Business in force ..	36,733,795	33,050,441
Income	1,816,976	1,073,655
Premium income ..	1,005,762	884,904
Assets	4,474,655	3,822,316

PROTESTS ARE MADE OVER INSURANCE ACT

Objections Lodged Against Workmen's Compensation Act Proposals in Quebec

From Our Own Correspondent

MONTREAL.—Somewhat premature are the various protests that have within the past two weeks been voiced against the newly-proposed Workman's Compensation Act, that Premier Taschereau has announced will be introduced into the Quebec legislature at the present session.

These protests to date have come from various labor organizations, and have based their claim on the supposition that the rates which will be charged under the new act will be virtually the same as those which were announced by the insurance companies prior to April, 1927.

In the first place, no word has come from Quebec as to what these rates are going to be; as a matter of fact, the bill itself is only being submitted to the Provincial cabinet this week, and there has been no chance for the details of the new bill to have got into circulation.

Not only that, but the opinion is generally prevalent that the new rates when announced will be materially lower than those submitted by the insurance company association last year. If this is the case, there is no basis for the supposition that Quebec industry will be placed under a handicap in comparison with the rates which now exist under the state scheme as operative in Ontario.

NORTH AMERICAN'S NEW HEAD BEGAN AS ITS OFFICE BOY

Company Now Has in Force $165,000,000 of Business

The financial statement of North American Life Assurance Company was overshadowed by the announcement of the appointment to the presidency of Thomas Bradshaw. Mr. Bradshaw started his business career as an office boy with the North American Life, was in time its actuary and now heads the organization.

It is understood that Mr. Bradshaw and J. Harry Gundy have virtually acquired control of the company. The company never issues shares but has what is known as a guarantee fund which is the equivalent of the share capital of the ordinary company. Only $60,000 was ever paid into this and the whole financial structure, with $36,000,000 of assets and over $6,000,000 of surplus funds rests on this tiny pivotal financial point.

Company wrote $32,090,726 of new business last year, a slight decline. Business in force rose to $165,684,200 an increase of over $13,000,000.

The company has increased its dividend scale for 1928. The annual report indicates that only a small fraction of one per cent. of the surplus earnings actually goes to the guarantors, who are the equivalent of shareholders in an ordinary company. As a matter of fact, only $6,000 a year has been paid in the past as interest on the guarantee fund.

	1927	1926
Premium income .	$ 5,576,942	$ 5,148,714
Total income	8,039,359	7,065,822
New insurance ..	32,090,726	32,540,819
Total in force	165,684,200	152,682,243
Assets	35,608,068	32,293,780
Policy reserves ..	27,707,424	25,539,242
Surplus fund	6,400,567	5,738,854

EXCELSIOR LIFE YEAR'S BUSINESS WAS $16,700,000

Brought Amount in Force to Total of $76,000,000, a Gain

Excelsior Life wrote $16,718,472 of new business in 1927, as compared with $16,814,386 in the previous year. This brought business in force to $76,386,830, a gain of $6,895,240 for the year.

D. Fasken, the president, in his annual report, indicates that the company plans a large measure of advance during 1928.

Company's assets now stand at a total of $13,521,660, including bonds and debentures of $5,903,782, which it is indicated are worth more than their book values. Net interest rate earned during the year was 6.04 per cent.

Comparative figures follow:

	1927	1926
New business	$16,718,472	$16,814,386
Insurance in force ..	76,386,830	69,491,590
Assets	13,521,660	12,299,961
Premium income ...	2,418,194	2,319,412
Total income	3,157,625	2,982,956
Surplus	1,815,409	1,604,553

Maritime Life Passes Five Million Dollar Mark

Maritime Life Assurance Company, one of the younger members of the life group in Canada, has passed the five million dollar mark of insurance in force. In 1927 it wrote $2,349,875 of new business and had in force at the end of the year $5,037,621 of business.

In each case the increase over 1926 exceeded 50 per cent.

Company's assets now total $490,242.

The company has been in business less than four years, and operates throughout the Maritime provinces as well as in Newfoundland and the West Indies.

New Bond Company Opens in Montreal

From Our Own Correspondent

MONTREAL.—Another investment firm has made its appearance in Montreal under the name of Peacock, Lewis & Company, Ltd. This firm will deal in government and municipal bonds and in high-grade public utility and industrial issues. The new firm is composed of two members, E. F. Peacock and Graham Lewis. Mr. Peacock was formerly associated with the Equitable Securities Corporation, and Mr. Lewis was formerly with H. G. Robinson Co.

MONARCH LIFE EQUALS NEARLY 1926 BUSINESS

$10,733,618 New Business is Written by Company in 1927

Monarch Life wrote $10,733,618 of new business in 1927. This compares with $10,765,658 in the previous year. Total insurance in force at the end of the year amounted to $52,512,422, an increase of about $4,600,000, indicating that the company's net gain was about 45 per cent. of new business written.

Assets, policyholders' reserves and payments to policyholders all increased during the year.

Comparative figures follow:

	1927	1926
New insurance	$10,733,618	$10,765,658
Insurance in force .	52,512,422	47,899,886
Assets	7,080,954	6,111,267

SUN LIFE TO CHANGE INCORPORATION ACT

Company to Appeal Again to Dominion Parliament

From Our Own Correspondent

MONTREAL.—According to an advertisement which appeared in the press this week, the Sun Life Assurance Co. is again to appeal to the Dominion parliament for permission to change its act of incorporation. Last year it will be remembered an elaborate act was introduced among the private members' bills in the Ottawa house, and after many days of gruelling debate, the bill was very suddenly withdrawn just as it had apparently overcome all the opposition it had encountered.

No announcement is at present forthcoming from the company as to the nature of the new bill, but according to the formal notice which has been published to comply with legal requirements, the proposed bill will be presented to a special meeting of the company's shareholders which will take place Feb. 14, directly after the company's annual meeting.

According to this notice the bill will include an application to parliament "affecting the amount of the company's capital stock, its disposal and transfer, the par value of its shares, the division of its stock into different classes with certain restrictions and privileges, the qualification of the directors, and amending its act of incorporation and certain acts amending the same."

Substantially, this wide application includes the same authorizing clauses that were contained in last year's bill, but officials of the company as yet decline to admit that the new application will be the same as the controversial document that went before parliament a year ago.

At that time the company asked for a ruling as to the actual amount of the company's authorized capital stock—the point at issue being whether or not the company should rightfully be capitalized at $4,000,000, as against its present capitalization of $2,000,000. The argument arose over the fact that there were originally two companies, each of which was capitalized at $2,000,000.

Another point which was contained in last year's application affected the splitting of the capital stock, the company asking permission to split its stock ten to one. They also desired certain restrictions as to the nationality of the shareholders of the company, with a view to ensuring that control of the company should never pass outside Canada or the British Empire. Another clause asked permission to increase the policyholder's share of participating profits to 97 per cent. as against the present rate of 95 per cent.

Manufacturers Make Plans for Convention

From Our Own Correspondent

MONTREAL.—Plans are being laid by the Quebec Division of the Canadian Manufacturers' Association for their next annual convention which will be held from June 4 to 7, inclusive. The association has chartered the S.S. St. Lawrence of the Canada Steamship Lines, which will sail from Montreal on June 4, will stop at Three Rivers during the day and continue through to Quebec, arriving there during the evening. The next stop will be Murray Bay where golf and business will be combined, and from there the convention will go up the Saguenay to St. Alphonse, the gateway of the Lake St. John region.

From here, a special train will carry the delegates to Arvida to the plant of the Aluminum Company of America, and then on to Jonquiere to inspect the Price Bros. Mills at Kenogami. The final stop will be at St. Joseph d'Alma where the Duke-Price hydro development will be visited. The annual meeting will be held on the final day of the return trip.

CONSOLIDATED TRUST INCREASES PROFITS

Report Shows Over $16,000 as Increased Profits For 1927

Consolidated Trusts Corp., London, Ont., report for the fiscal year 1927 shows increase in profits from $15,549 to $16,886, not including $8,160 profits achieved in the sale of securities. Principal of mortgages outstanding increased in the year to $249,930 from $152,338. Total capital assets are up from $365,431 to $388,979. The guaranteed trust account is $60,525, compared with $58,754, and the estates trust and agency account is up to $1,016,921, compared with $997,011, compared with the previous year.

The paid-up capital of the company is $257,998 and the reserve fund is $115,000. On the assets side of the balance sheet was shown an item in 1926 of $154,288 as stocks of loan companies fully paid. This now has been reduced to $99,214.

Distribution of Earnings

	1925 $	1926 $	1927 $
Earnings	13,969	15,549	25,046
Taxes	1,330	2,011	1,800
Net profits	12,639	13,538	23,246
Reserve	15,000	10,000	15,000
Balance	x2,361	3,538	8,246
Prev. balance	4,755	2,394	5,932
P. & L. bal.	2,394	5,932	14,178

xDebit.

Rate of Earnings

Year	Paid-up Capital	Profits	Earned p.c.	Div.
1918	$255,837	$ 3,903	1.5	.
1919	256,012	11,418	4.5	.
1920	256,012	9,863	3.8	.
1921	257,012	11,760	4.7	.
1922	257,212	12,366	5.0	.
1923	257,212	12,027	4.7	.
1924	257,212	11,321	4.4	.
1925	257,998	12,639	4.9	.
1926	257,998	13,538	5.2	.
1927	258,000	23,246	9.4	.

Three New Partners for Hodgson & Co.

From Our Own Correspondent

MONTREAL.—Three new partners have been admitted into the firm of C. J. Hodgson & Company, members of the Montreal Stock Exchange. The newcomers are Wm. C. Hall, George H. Reeves and Gordon C. Liersch. There are now six members of the firm, the other three being C. J. Hodgson, A. W. Hodgson and J. A. Hodgson.

SECURITY LOAN SHOWS INCREASE FOR PAST YEAR

For Eleventh Year in Succession Company Has Increased Earnings

For the eleventh year in succession, Security Loan & Savings Co., St. Catharines, showed an increase in profits. The figure is $56,601 on the capital stock of $539,800, compared with $54,732 the previous year.

After dividends of 7 per cent., the company appropriated $20,000 for reserve, that fund now standing at $275,000. Mortgages outstanding have grown from $1,319,200 to $1,473,385. Government bonds, etc., were reduced in the year from $189,982 to $105,727, but there was a corresponding increase in cash on hand, from $41.089 to $105,727.

Debentures outstanding have increased in the year from $439,292 to $527,444. Deposits also have grown, from $347,897 to $391,065.

The following table shows the growth of this company since 1913:

Rate of Earnings

Year	Paid-up capital	Profits	Earned p.c.	Dividend
1913 ...	$450,250	$34,811	8.2	5
1914 ...	496,575	39,468	8.3	5
1915 ...	500,000	41,278	9.1	6
1916 ...	521,000	46,623	9.2	6
1917 ...	524,200	44,378	8.5	6
1918 ...	524,200	47,022	9.0	6
1919 ...	532,300	47,357	9.1	6
1920 ...	532,300	43,592	8.2	6
1921 ...	532,300	43,707	8.2	6½
1922 ...	534,700	48,993	9.2	7
1923 ...	536,100	49,575	9.3	7
1924 ...	538,200	50,942	9.5	7
1925 ...	539,800	53,319	9.8	7
1926 ...	539,800	54,732	10.1	7
1927 ...	539,800	56,601	10.5	7

To List Brading Breweries on Montreal Exchange

From Our Own Correspondent

MONTREAL.—The common stock of Brading Breweries, which is now being traded in on the Montreal Curb, may shortly be listed on the Montreal Stock Exchange. The application for listing on the Montreal Stock Exchange will be made at a later date, according to officials of the company, and in the meantime, the stock will change hands on the curb market.

On January 15 the company paid a 50c. per share dividend on the common stock. This is considered a preliminary to the placing of the stock on a regular $2 annual basis—a dividend well in line with present earnings.

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¶ Surplus funds, (not including special reserves) amount to $1,815,408.97

The Steady Growth of "A Strong Canadian Company"

	1927	1924	1921
Policies in force	$76,386,829	$57,782,440	$46,000,506
Total Assets	13,327,153	10,063,408	7,180,176
Income	3,157,625	2,427,491	1,756,468
Paid to Policyholders	1,157,252	783,761	500,571

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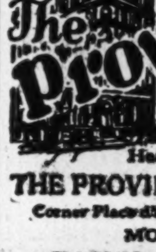

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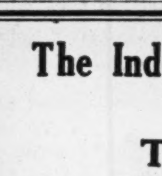

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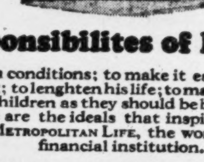

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Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance inquiries on sheets separate from other investment inquiries.

Can. Canners

Please give me your views on Canadian Canners.

The second preferred stock of Canadian Canners, Ltd., is a fairly attractive purchase, especially if the general market remains favorable.

McColl-Frontenac

Have you anything new on this company?

We hear very favorable comments on the stock of the McColl Frontenac Oil Co. McColl Bros. has done very well in the last year and it is believed that the situation recently created is a move in the right direction. The stock is excellently sponsored.

Canadian Brewing

I bought 75 shares of the Canadian Brewing Corporation, Ltd., at $37.25. Do you think this stock will advance above that figure during the present year?

Canadian Brewing Corporation, Limited, is reported to be making good progress, and we think that over a term of years the investment should be satisfactory. The brewers operating in Ontario particularly, are reported to be making good profits under the present scale of prices for beer.

Alta. Pacific Grain

What is your opinion of this company?

As you know, Alberta Pacific Grain earnings are dependent to a large degree on the crop conditions in the West, particularly in Alberta. In the circumstances, this stock is not perhaps entitled to sell at such a high figure as an industrial stock in a company where the earnings are less erratic. It is the opinion of some competent observers, however, that this stock is still somewhat cheap. It is reported that the company will show earnings in excess of $10 per share on the common stock.

Arnold Bros.

Is Arnold Brothers, Ltd., a fair purchase at the present level of $15 to $16, and what was the price when this issue came out last year?

Arnold Brothers common is a speculation which is not without attraction. The price was about $20 the share when the company was enlarged with the acquisition of A. Martin, Limited, stores about a year ago. The prospects are fairly good apparently, despite the fact that two dividends on the preferred stock have been passed.

Oil Stocks

What is your opinion of oil stocks as an investment at the present time? What companies do you think offer attractive possibilities?

Investment in oil stocks at the present time is speculative, and we would advise you to regard such purchases in the light of a speculation rather than an investment. For a long hold, British American or Imperial Oil look interesting. These companies pay dividends.

In the non-dividend paying class, the McColl-Frontenac common stock listed on the Montreal Curb might interest you. It must be regarded as a business man's long hold speculation though. British American Oil or McColl-Frontenac are not interested in the actual production of oil, and therefore, the world over-production of oil situation will not affect these companies. Imperial Oil, on the other hand, is largely interested in the production of raw petroleum which it carries out itself, and which is also carried on by its subsidiary, International Petroleum.

For a long hold, all or any one of these stocks look interesting to us. You must be prepared though, to hold them over a term of years, and also be prepared to regard it as a speculation.

Inter. Utilities

I have been strongly recommended to purchase some shares in International Utilities "B." What do you think of this stock as an investment for a woman who is in a position to purchase a certain amount of common stock?

The International Utilities "B" stock can only be regarded as a speculation. As a long hold gamble, it has some attractions, as the earnings from the subsidiary companies are increasing. We would never recommend the purchase of this stock for a woman. A man, though, might place a small proportion of his total funds which he has available, for out and out gamble in such a stock with the idea of holding it over a term of years.

Durant

The writer would appreciate whatever you can give on Durant of Canada in regard to present position, possibilities of dividend and your opinion of a buy for a long hold.

You probably have observed in The Financial Post that a dividend will be paid shortly on the stock of Durant.

The outlook for the company is not unfavorable and at prevailing prices the stock has attractions as a speculation. However, it must be considered a speculation at best, and it has the additional disadvantage of not being listed.

Imperial Royalties

Could you give me information about the Imperial Royalties Co., Kansas City. I was offered stock of this company, and I would like to get your advice.

Shareholders of Imperial Royalties of Kansas City, Mo., get a very high yield for the capital put up. If there is any merit in the judgment that the yield is in inverse ratio to the safety of a security, oil royalties are not conspicuous for their safety.

Yet we know that business men of considerable shrewdness have bought stock in this company and are apparently satisfied with the results. Of course, a yield of 18 per cent., or thereabouts, means a rapid return of capital. On this basis, investment in a royalty company may be justified by those who know and are prepared to take the risk.

An oil royalty is the proportion of the revenue from an oil well which accrues to the owner of the land. The owner assumes no risk and no expense for production or marketing. An oil royalty company is a company which has bought from land owners a number of royalties and is paying dividends from the revenue so derived. Thus, you can see that everything depends on the capacity of the management to select royalties with judgment, care and luck.

Canadian and other shareholders in oil royalty companies operating in the Southwestern United States are under the additional disability of not having means of knowing for themselves whether or not the managers of the company are capable and efficient, and if they are so, if they will remain so.

Brooks Motors

I shall appreciate your opinion on the financial condition of Brooks Steam Motors, the possibility of increased value of their stock and the advisability of a purchase of this stock since the recent developments.

The outlook for Brooks Steam Motors is not good, in our opinion.

Imperial Oil

I have bought outright 75 Imperial Oil at 60 and 40, Shredded Wheat at 75. These are the only stock I hold. I would appreciate your opinion for a hold, or are the rumors of the New York market sufficiently disconcerting to warrant my selling and wait for a more favorable opening. Would you suggest diversification and how?

If you are prepared to hold Imperial and Shredded Wheat as a common stock investment for months or years, we do not think that you have any reason to worry because of a possible or probable reaction in the New York market.

These companies are the leaders in their respective lines and the satisfactory investment in the past gives promise of satisfactory investment for the future.

Foothills Oil

Can you advise me of the latest developments in connection with Foothills Oil and Gas Co. I hold some stock in this, and note that very few shares are turned over on the exchange, and that the price remains quite steady around $2.40. I have heard that Imperial Oil is accumulating this stock whenever offered. Can you confirm this rumor? What progress has been made in the drilling. Would you suggest holding? I can afford to do so.

If Imperial Oil Company is accumulating further stock in Foothills Oil and Gas Company, the officials of the Imperial are keeping it quiet. We rather doubt that they are moving in this direction in view of the fact that only 100 shares were traded in the last week, and because the stock does not ascend in market value.

The company is a company formed a year or two ago to develop certain acreage in the West. Imperial Oil took stock for certain acreages it put into the company and also for the drilling operations which it is carrying on. The block of stock which is gradually coming into public hands was owned by a private individual who sold it to a Toronto investment banking house.

We are informed on good authority that drilling is progressing rather slowly, because of geological difficulties. We also are told that the spotty nature of the Alberta oil deposits makes the company rather more speculative than the average. However, with Imperial Oil in charge of the drilling, and in view of that company's resources, it would seem that Foothills Oil is an attractive speculation in the class to which it belongs. The opinion expressed in one quarter in Toronto is that the price at which this stock was offered the public was somewhat high, but the authorities we are quoting in this connection invariably express the opinion that all oil stocks are high and yet they continue to advance as a class.

If you bought this stock as a speculation and can afford to hang on, there would seem no good reason at this time to sell.

Kelvinator

I would like to know your opinion on Kelvinator common and preferred. I have heard that their past year has been unfavorable, the American company being required to furnish $30,000 for dividends on the preferred stock. How long does the American company guarantee the preferred dividends on this company? Is the American company a good sound one?

The preferred dividends but not the principal of Kelvinator of Canada are unconditionally guaranteed by the parent company in Detroit. The parent company in Detroit, is itself a subsidiary of the Electric Refrigeration Company. Its difficulties apparently have been due to the very large expenditures that were made in connection with the building and equipment of a new plant, but these expenditures are now definitely in the past and it is hoped that conditions will improve rapidly. There was some further financing a few months ago which was a great help, and it is believed that a definite improvement has taken place.

One of the difficulties of this company is that its business is somewhat seasonal in character. This, however, need not apply wholly to the Canadian company, in view of the fact that the Canadian company has for its market all other countries, except continental United States.

List of Stocks

I would like to purchase some shares in a few different companies where I would stand a fair chance to receive an appreciation in value during the course of six or twelve months, or sooner. Immediate dividend returns not a matter for serious consideration, as appreciation in value is my point.

Reading your columns from time to time, I have in mind a few such stocks which appear to have the earmark of filling my requirements. Kindly look over my list. Criticize it carefully. Add to it other stock you recommend and place it in order of merit.

J. S. Mitchell & Co., common stock.
Can. Canners, Ltd., 2nd pref.
Massey Harris, common.
Inter. Nickel.

The four stocks you mention are attractive for a reasonably long hold.

J. S. Mitchell & Co. Ltd., of Sherbrooke, Que., are distributors of heavy hardware, explosives, etc. The capitalization consists of preferred and common stocks. It is reported that the company is earning at the rate of $5 per share on the common stock.

The second preferred stock of Canadian Canners, Ltd., is an attractive speculation since the company has been relieved of the incubus of arrears on the first preferred. Earnings are reported to be satisfactory and the stock has an additional attraction that it is in the low priced class.

Massey-Harris common is likely to fluctuate with world crop conditions in view of the fact that the earnings of the company are dependent on the purchasing power of grain growers throughout the world.

International Nickel as an investment must be considered at its present price to be discounting the future to a considerable extent.

United Grain Growers

Will you please give me your opinion of United Grain Growers, Ltd., 20 years, 5 per cent. first mortgage bonds, to buy and hold at 96.25 and interest?

The first mortgage 5 per cent. bonds of United Grain Growers Limited are a sound investment.

This company has been in operation in the west for several years and is well and favorably known. Growth has been steady and earnings are more than sufficient to meet the interest requirements on this bond issue.

Ontario Bakeries

A client of ours has been approached to exchange his $2,000 Ontario Bakeries bonds, at the rate of $95 for the preferred stock of the Commerce and Transportation Building, Ltd., at par plus a bonus of one share of common stock for every $100. I am inclined to recommend the exchange, but I shall be glad to have your opinion before.

We consider the bonds of Ontario Bakeries a better investment than the preferred stock of the Commerce and Transportation Building. The preferred stock of the Commerce and Transportation Building does not appeal to us as a sound investment.

New control recently was effected in Ontario Bakeries. The company is reported to be doing very well and we believe that the position of the bonds will improve gradually.

Low Price Stocks

Would you kindly mention one or two stocks (of lower price) which you think may appreciate some time soon. I already have:

20 Muirhead's at 14⅞, $15.
5 Dominion Bridge at $73.
10 Building Pro. at $36.50.
20 Indus. Alcohol at $37.00.
10 Seagrams at $26.00.
30 McColl-Frontenac at $32.00.
20 Dominion Distillers at $12.00.

Have I made a good or bad selection? I can afford to speculate moderately.

Two common stocks which we think should show some appreciation in market value in the course of a few weeks or months, are:

Fanny Farmer Candy Shops, Incorporated.

J. S. Mitchell & Co.

We think that your common stocks should be satisfactory on the average. You will hear from us later regarding Dominion Distillers. Of the others we think that the most unlikely purchase may be that of Seagram's. We may be wrong, but we prefer to leave a stock alone when we cannot obtain accurate information.

Ottawa Light, Heat

I have two thousand Ottawa Light, Heat & Power bonds, which will be called at 105. I have been approached by the Royal Securities and they advise me to trade in for Donnacona Debentures at 6 per cent., with common stock privileges. I wish you would advise what you think of the safety of these debentures. It is a second mortgage, and yet Price Bros. and Royal Securities, seem to be behind them. I would appreciate your views.

We would remind you that in switching from Ottawa Light, Heat and Power bonds into Donnacona debentures, you are definitely lowering the grade of security in which you have your funds. If this works in well with the remainder of your investment program, such a switch would be quite satisfactory. On the other hand, it is always advisable to have a certain proportion of your total holdings in high-grade bonds such as those of the Ottawa Light, Heat and Power Company.

We understand that earnings of the company during the past year have shown a moderate increase. Earnings over the past three years, before depreciation, have averaged just below three times the interest requirement on the debentures after all other charges other than depreciation.

The stock purchase warrants attached to the debentures give them a speculative attraction, which may compensate you for accepting a security of a lower grade—it depends on the rest of your investments.

As we understand it, Price Bros. control the company so that ranking junior to your debentures you have very strong interests, and you have, also, certain stock-purchase rights which may be valuable later.

In our opinion, from what little information is to hand, the six per cent. debentures yielding just over six per cent. can only be classed as a business man's purchase with a speculative tinge.

Preferred Stocks

I am a business man chiefly interested in improving my holdings in preferred stocks. Is the new Canada Cement preferred well secured, and how does it compare with a stock such as Power Corporation first preferred? What other preferred stocks would you suggest?

Is there any liability on preferred shareholders in case of liquidation, and can you tell me how the dividend cheques on stock are payable?

We believe that the new Canada Cement preferred stock is reasonably secured, and is a good industrial investment.

As far as security goes, we believe that perhaps the Power Corporation first preferred is in a better position than Canada Cement preferred, but it is a public utility holding company and it is hard to compare two such utterly different securities.

One preferred stock which might interest you is Ontario Steel Products. This company is steadily strengthening its position, and the position of the preferred shareholders is stronger, due to the conversion offer made to the preferred shareholders.

One or two other sound investment preferred stocks include Abitibi first, 7 per cent. preferred; Belgo-Canadian 7 per cent. preferred; Lake of the Woods preferred; Ogilvie Flour preferred; Winnipeg Electric preferred; Southern Canada Power preferred; Canadian Cottons preferred; Dominion Textile preferred; Montreal Cotton preferred; Penman's preferred; Sherwin-Williams preferred; and National Breweries preferred. These are all high grade preferred stocks. The strength of each issue is reflected in the current market quotations.

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Oil and Gas Sought in Western Canada by Inter. Utilities

Search Affords Additional Speculative Possibilities for Class "B" Stock of Company— Review of Operations in Western Canada

From Our Own Correspondent

CALGARY.—Not the least interesting feature of the progress of International Utilities Corporations is its extensive exploration work in the oil and gas fields of Western Canada. Primarily it is seeking gas to enable it to expand its utility operations; at the same time, its activities will tend to prove up the oil possibilities of the fields in which it is exploring and drilling. Thus, a most interesting additional speculative touch is given to the company's securities, especially to the Class "B" common stock, recently selling around $10 a share.

A review of the operations carried on by the company through its various subsidiaries will reveal a substantial growth in the past year or two years. There are many Easterners who have bought stock in this company who probably do not recognize the expanse of territory covered by its Canadian operations alone, without counting extensive enterprises controlled in the United States.

International Utilities Corporation with head office in New York, controls the stock of the following subsidiary Canadian companies:

Canadian Western Natural Gas, Light, Heat & Power Co., Ltd. This company supplies the cities of Calgary and Lethbridge, and the towns of MacLeod, Granum, Claresholm, Stavely, Parkland, Nanton, High River, Okotoks and Brooks, with natural gas from its fields at Bow Island and Foremost, and purchases gas from the Royalite Company at Turner Valley. The total number of consumers is 17,133 over the whole system. Gross revenue in 1927 was approximately $1,550,000, and the total quantity of gas sold during that period was 4,668,896,000 cubic feet.

Northwestern Utilities Ltd. This company supplies natural gas to the City of Edmonton and five towns between its fields at Viking and Edmonton. This property was developed in the fall of 1923, and at the end of that year had about 1,200 consumers. Gas is now supplied to approximately 8,100 consumers. Gross revenue in 1927 was $892,000, and the total quantity of gas sold was 2,100,000,000 cubic feet.

Nanaimo Electric Light, Power and Heating Co., Ltd. This company owns and operates the electric light and power plant in the city of Nanaimo, on Vancouver Island. Electricity is generated partly by hydro and partly by steam. Gross revenue is approximately $120,000 per annum, and the number of consumers served 2,000.

Duncan Utilities, Ltd. This company owns and operates the electric light and power plant and water works in the city of Duncan, on Vancouver Island. Since the company took over operations it has extended its transmission lines to serve the surrounding country. Gross revenue is approximately $38,000, and the number of consumers served is 626 electric light and power, and 477 water.

Union Power Co., Ltd., Drumheller, Alberta. The stock of this company was acquired by International Utilities Corporation on the 1st of January, 1928. This company supplies electricity to the municipalities of Drumheller, Munson, Coaldale, Morrin, Wayne and Hanna, and also to the coal mines in the vicinity. Gross revenue is approximately $220,000, and the number of consumers served is 1,680. It is intended to extend the transmission system of this company to serve communities within a radius of 50 to 75 miles.

Mid-West Utilities, Ltd. This company owns and operates electric light and power plants in the following localities: Vegreville, Mundare, Raymond and Grande Prairie, in Alberta; Lloydminster, Rosetown, Watrous and Kindersley, in Saskatchewan. Its policy is to acquire electric light and power plants in these two provinces and to centralize the generation of electricity at central points and distribute same by constructing transmission lines to towns and villages within reasonable transmission distance. This company has made an offer to the city of Saskatoon to take over its electric light and power plant and street railway on the following terms:

(a) $1,000,000 cash;
(b) To assume all debenture charges;
(c) To build a new power plant at an estimated cost of $1,500,000;
(d) To guarantee a payment of taxes annually to the city of $150,000.

This company has also submittted an offer to the town of Yorkton to take over its electric light and power plant. The offer is as follows:

(a) $75,000 cash;
(b) To assume all debenture charges;
(c) Instal new equipment in the power plant and reduce rates.

The council of this town called for tenders, and the offer of Mid-West Utilities Limited was the highest, and its rate schedule was the lowest. If the company is successful in purchasing either of these properties, it is their intention to enlarge the existing power plant and transmit power to towns and villages within a radius of from 50 to 100 miles.

The company is also negotiating for the purchase of electric light and power plants in several other municipalities. So far the acquisition of these properties by Mid-West Utilities Limited has meant a reduction in rates in each municipality and the re-equipment, and oftentimes, the rebuilding of the power plant.

Gas Production and Transportation Ltd. This is an exploration and development company for the purpose of locating gas reserves for the gas companies, and if possible locating suitable structures for oil. This company has a completely equipped geological department under the direction of its chief geologist, Mr. S. E. Slipper, who has had considerable experience in the geology of Western Canada. On account of the glacial deposits in southern Alberta and in Saskatchewan, this department, in making all its surveys, uses the core drill. In the summer of 1926, by this method, it located the main axis of the Sweetgrass arch in southern Alberta. It is upon this arch that the oil field in Montana is located. As a result the company obtained leases on 15,000 acres and is now drilling a deep test at Warner, south-west of Lethbridge; at present this well is drilled to a depth of 2,450 feet. This company has also made explorations in the Foothills of the Rocky Mountains and has located three structures which are very similar to that of Turner Valley, and it is now negotiating an agreement for drilling one of these structures with interests in Denver, Colo.

During the summer of 1927 the geological department of this company made a thorough survey in the province of Saskatchewan with a view to locating a structure which might be suitable for supplying the cities of Saskatoon, Regina and Moose Jaw with natural gas. A very suitable structure was discovered about 40 miles south of Saskatoon and it is proposed to carry on drilling operations during the coming summer.

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When Women Invest

One Holder of Brazilian is Confused as to Situation in Regard to Stock Rights Split and Dividends

A WEEKLY FEATURE

A bank manager submits the following questions on behalf of a woman client:

1. I hold 28 shares of Brazilian common stock. How much dividend ought I to have at present rate after commission and other charges (if any) are withheld?

2. I read in paper "rumors of split-up; possibly four shares for one share."

3. If so, does this mean I ought to have increases? If so, ought I to have more this quarter? I have $40 each quarter now.

4. If I am entitled to increases, when —next March, or later? I presume final arrangements have not been published.

Asks Definition

5. If I am entitled to an increase, would the added shares be for permanency, or only, possibly, one payment?

6. What is the meaning of the term "ex-dividend." I see it in newspaper reports of stocks sometimes.

1. The dividend in 1927 was 6 per cent., or $6 the share. The annual payment on 28 shares thus would be $168, or $42 per quarter. If the client is carrying the stock on margin at a broker's, the broker normally would charge 1 per cent. of the dividend payment, or 42 cents in this case, as a handling charge. The broker also would be charging at the rate of 7 per cent. per annum on the unpaid balance due him.

The 1928 dividend rate is 7 per cent., so that your client should be receiving $49 per quarter. The first payment at this rate will be March 1st.

Brazilian Rights

The rates of commission on the Toronto exchange are 30 cents a share for stocks selling at $10 and under $125 and 37½ cents the share on stocks selling at $125 and under $200. The Montreal 30-cent rate obtains up to $150.

2. It has been announced that Brazilian common shareholders are to be given the right to subscribe for one new share for each five shares now held, the price of the new share to be $100. Thus your client has the right to purchase, prior to March 31st, five new shares for $500. She may purchase six new shares if she buys two additional rights, or she may sell the three rights which she will not exercise if she buys only five shares. Or, if she decides she is holding enough Brazilian, she may sell all her rights. There will be active trading in these rights before March 31st.

She must exercise or dispose of her rights before March 31st in order to benefit by them. After that date, unexercised rights are null and void.

Following the increase in the number of outstanding shares, the common stock of $100 par value, will be split into four times the number of shares of no-par value.

Your client's broker should forward to her, if she requests it, copies of the official announcements concerning this scheme of arrangement. Or she can obtain these from the office of the company in Toronto.

3. It is reasonable to believe that there will be gradual increases in the dividends on Brazilian common stock. See also answer on question No. 1.

Suggest Paying off Broker

4. Final arrangements have been published, as outlined in the foregoing. See also answer to question No. 1.

5. This question is obscure, for you understand, probably, that when your client buys additional shares, she is buying something tangible and permanent, and that the new shares will be entitled to the same quarterly dividends which are paid on existing shares.

6. "Ex-dividend" means "without dividend." You may observe that dividend notices state that dividends for a certain quarter or half-year are payable to "shareholders of record of February 15th" (as an example). Thus the stock should tend to sell a little higher just prior to the compiling of the lists of persons to whom dividends are paid, and usually tends to sell a little lower immediately after these lists are compiled. The reason simply is that the buyer just prior to the day when the records are made up gets a dividend for a quarter, although he may have had the stock only a day.

If your client is not a speculative investor, and assuming that she is not carrying her stock on an extraordinarily slim margin, she might well be advised to take it up, borrowing from a bank sufficient to pay the balance due the broker. She would then be direct recipient of dividends and she should be able to borrow from the bank at 6 per cent., whereas she must pay her broker 7 per cent.

February Investment List
From the widely diversified securities in the February List, now ready, you should have no difficulty in selecting a security meeting your particular requirements.
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NOTICE is hereby given that a DIVIDEND of THREE per cent upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after THURSDAY, the FIRST day of MARCH next, to Shareholders of record of 31st January, 1928.

By Order of the Board.
FREDERICK WILLIAMS-TAYLOR
General Manager.

Montreal, 20th January, 1928.

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The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on April 1st, 1954, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of April 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) JAMES WILSON,
Secretary.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on October 1st, 1955, will be redeemed by the Company pursuant to the terms of the said Deeds, on the First day of April, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

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CANADIAN STOCK AND BOND QUOTATIONS

Stock Market Record

WEEK ENDING JANUARY 31

	Div. Rate	Yield Jan. 30	High for wk.	Low for wk.	Close Jan. 31	Close Jan. 24	Sales for wk.	Range, 1928 High	Range, 1928 Low
Banks—									
Commerce	12+1	4.59	284	280	284	281½	374	285	277
Dominion	12+1	4.94	265	263	263	265	77	265	261
Can. Nationale	10	5.34	187	187	187	187	79	190	186
Imperial	12+1	5.23	250	246	247½	247½	198	250	246
Montreal	12+2	4.09	342	335	340	340	514	347	334
Nova Scotia	16	4.14	386	376	386	375	110	390	375
Royal	12+2	4.06	347	341	347	340½	738	351	330
Standard	12	4.80	250	244	250	245	912	250	236
Toronto	12+1	4.39	298	294¾	296	298	258	306	280
Paper—									
Abitibi, com. (n.p.)	5	3.04	164½	159	163	162	10423	164½	140
Do. (new)	.	...	83	81¼	81½	...	1365	83	81¼
Do. pref.	7	5.49	...	...	...	...	...	127½	127½
Belgo, Can., pref.	7	6.36	110	109	109	110	28	110	106
Brompton (no par)	$2	2.94	69⅛	61	69⅛	64	23730	69⅛	51
Fraser, com.	.	...	59¾	57	59	60	2841	63	57
Do. pref.	7	4.00	175	175	175	170	35	184	132⅝
Int. Pap., c. (n.p.)	$2.40	3.00	74⅞	70⅛	72	74⅝	27300	76¼	67⅛
Do. pref.	7	6.54	107½	107	107½	105	135	107½	105
Laurentide	6	4.45	134¾	131	134	132	12343	134¾	114
Pt. Alf. P., c. (no par)	.	...	122	119	120	120	840	122	95
Do. pref.	7	6.54	108	106	108	106½	175	108	102
Price Bros., com.	2	2.08	96	92½	95	92½	1575	96	78
Do. pref.	6½	6.19	105¼	105	105	105	122	105⅝	103
Smith, Howard, com.	.	...	93	84¾	92	86	3050	93	71
Do. pref.	8	6.92	116	115	115	117	45	117	115
Span. River, com.	7	4.34	163½	151	163½	162	2180	163½	135
Do. pref.	7	5.14	130	136	136½	139½	806	152	136
St. Maur. V., c. (n.p.)	.	...	100	95	99	97	3268	100	72½
Do. pref.	7	6.66	105	103	105	105	115	105	101½
Wayagamack (no par)	$3	2.36	127¼	115	123	118	11045	127¼	106
Steel and Steel Industries—									
B.E. Steel, com.	.	...	4¼	3¼	4	3½	3115	4¼	1
Do. 1st pref.	.	...	46	39	45½	36¾	2170	46	22
Do. 2nd pref.	.	...	9¾	5¾	9½	6	16100	9¾	3½
Can. Car & Found., c.	.	...	54⅞	48	54	47½	8088	54⅞	46½
Do. pref.	7	7.42	94¼	93¼	94	93½	1474	94¼	90
Can. Fairbanks, pref.	6+3†	5.82	103	103	103	103	5	103	103
Can. Forgings, com.	.	...	...	...	...	...	...	20	15
Do. pref.	5†	...	...	...	...	...	...	68	65
C.G.E., c. (par $50)	.	...	71	71	71	70½	5	71	70½
Do. pref. (par $50)	7	5.69	61½	61	61	61	265	62½	60⅛
Canada Iron, com.	.	...	...	...	...	...	...	x28	12
Do. pref.	4	5.00	80	79	80	75	135	80	60½
Can. Locomotive, com.	.	...	...	...	...	...	...	x48	25
Do. pref.	7	9.33	75	75	75	76	22	76	75
Dominion Bridge	$2.60	3.76	70¼	68	68	70¼	3873	74¾	68
Do. Rights	.	...	2⅛	1	1¾	2⅛	23166	2¼	1
Dominion Coal	.	...	88	80	88	83	395	88	75
Dominion Iron, pref.	.	...	...	...	...	...	...	5	5
Dom. Steel Corp., pref.	.	...	71	56	71	55	132	71	44½
East. Steel Prod. (n.p.)	.	...	29	28	29	28	1330	30	28
Do. pref.	7	7.07	99	98½	99	98½	35	99	97¼
Ford Motor	15	...	...	...	...	...	...	x475	436
Gould Pumps, pref.	7	...	...	...	...	...	...	x100	100
Kelvinator, c. (n.p.)	.	...	5	5	5	6	5	6¼	5
Do. pref.	7	9.33	75	75	75	66	30	75	65
Massey-Har., c. (n.p.)	.	...	47¼	42½	43¾	46¾	40560	47¼	39½
Do. pref.	7	6.36	110	108	108¼	109	457	110	108
McKin. Ind., c. (n.p.)	.	...	30¼	29	30¼	28½	600	30¼	27¾
Do. pref.	7	7.07	99	98	99	99	134	99	97½
Do. Vot. Trust	.	...	32	28½	31	28	1255	32	26
Ontario Steel, com.	6	5.00	...	...	...	...	...	x120	73
Do. pref.	7	6.25	...	...	...	...	...	x115	100
Page Hersey, c. (n.p.)	$3	2.88	104½	97	97	103	7698	108	85
Do. pref.	7	3.38	207	202	204	207	481	212	171
Pressed Metals, com.	$3	5.66	55	52	52	54	160	58	50
Do. pref.	7	7.36	95	95	95	95	6	95	95
Russell Motor, com.	4	6.95	...	...	...	...	...	60	57½
Do. pref.	7	7.14	100	98	100	100⅛	51	100⅛	98
Steel of Canada, com.	7	3.62	199¾	180	198	183¼	10324	199¾	180
Do. pref.	7	4.11	180	170	180	175	422	180	170
Milling, Foodstuffs and Merchandising—									
Alta. Pac. Gr., c. (n.p.)	.	...	70	62	70	62⅛	23077	70½	51
Do. pref.	7	7.03	99½	98	99	98½	287	99½	96½
Arnolds, c. (no par)	.	...	20⅛	18	18	19	3541	20⅛	15
Do. pref.	.	...	...	...	...	...	...	87	86
Atlan. Sug., c. (n.p.)	.	...	26	28	25	23	1400	27½	15½
Do. pref.	.	...	...	...	...	...	...	85½	80
B.C. Fish, c. (n.p.)	$1.25	11.37	11½	10	11	11	2850	12½	10
Do. pref.	7	11.66	65	59⅞	60	60	440	66	59⅞
Can. Bak., c. (n.p.)	.	...	42	40	40½	40	125	42	37
Do. pref.	7	6.66	105	104½	104½	104	27	105	104
Can. Bread, c. (n.p.)	$6	3.59	170	166	170	165	86	170	155
Do. pref. (A)	7	5.69	123	119	123	118	55	123	115
Do. pref. (B)	7	6.36	110	106	109½	108½	62	110	106
Can. Canners, com.	.	...	19½	18½	19	19	2010	23	17
Do. 1st pref.	6	6.54	92	91¼	91¾	91½	557	94	91¼
Do. 2nd pref.	60c	2.72	22½	21¼	22	22½	4643	25	19
Canadian Salt	8	5.16	155	154	155	158	4	160	154
Christie Br., c. (n.p.)	$1.20	0.96	128	120	120	128	1775	131½	86
City Dairy, c.	.	...	52	50	50	51½	2648	59¼	50
Do. pref.	7	5.76	...	...	...	...	...	121½	121
Cuban Can. Sugar, c.	.	...	3	3	3	3	64	3	3
Do. pref.	.	...	30	28	28¼	28	56	30	28
Wm. Davies (A) (n.p.)	.	...	45	45	45	43½	100	45	43
Do. (B) (no par)	.	...	...	...	...	...	...	20	19
Dom. Stores (n.p.)	$2.40	1.93	129	115	123	116	4885	129	104½
Ham. Dairies, c. (n.p.)	.	...	50	49	49	49	30	50	45
Do. pref.	7	6.82	102½	102½	102½	102½	5	103	102
Hunts, Ltd., c. (n.p.)	.	...	41	41	41	41	2	46	40
Do. pref.	7	7.00	100	99	100	100	74	101	99
Inter. Milling, pref.	7	6.42	109	109	109	109	70	109½	107½
Lake of Woods, c.	12	6.66	185	171	179	171	853	185	167
Do. pref.	7	5.73	...	...	...	...	...	122	122
L. Secord, c. (n.p.)	.	...	46	43	43⅞	42	567	46	37
Do. pref.	7	5.28	136	130	134	130	46	136	121
Loblaw, com. (n.p.)	$1	0.86	118	100	113	100	2227	118	93⅛
Do. pref.	7	4.11	170	160	170	170	307	175	184
Maple Leaf Mill., c.	.	...	127	125	125	127	235	128⅝	104
Do. pref.	7	6.36	111	110	110	110	129	111	103
Muirheads, c. (n.p.)	50c	3.12	16½	13¼	16	13⅞	3681	16½	13¼
Do. pref. (par $10)	75c	4.54	17¼	15½	17	14	525	17½	14
Nat. Grocers, pref.	8	8.16	98	98	98	98	56	99	98
Ogilvie Fl., c. (n.p.)	5+10	3.65	410	410	410	414	5	425	410
Do. pref.	7	4.89	...	...	...	...	...	143	135
Pure Gold Mfg. (n.p.)	$1.50	5.82	26½	25½	25½	26	865	28	22
Shred. W., c. (no par)	$3	4.00	75	72	74½	74	1754	78⅞	68¼
Stanfords, c. (n.p.)	$1	3.92	25½	25½	25½	25¼	10	26	24
Do. pref.	7	7.36	95	94½	95	94½	75	95	94
St. Law. Flour, c.	.	...	51½	49	49½	51½	765	52¼	35
Do. pref.	7	7.95	...	...	...	...	...	88	86¼
Viau Bisc., c. (no par)	.	...	33	29	32	30	6538	33	15
Do. pref.	7	7.95	88	86⅝	88	88	167	88½	85
W. Can. Fl., c. (n.p.)	$1.40	2.80	50	45	49	45	1679	50	37½
Do. pref.	6½	6.16	105½	105½	105½	105	10	106	105
W. Groc., c. (no par)	$1	4.76	21	21	21	20	90	21	19
Do. pref.	7	9.21	76	75	76	75	20	77	75
Utilities—									
Bell Telephone	8	4.93	162	159	161	158	472	164	154
Calgary Power	5	4.76	105	105	105	100	85	105	100
Can. Power & Pap.	.	...	40½	38⅞	38⅞	...	19407	40½	38⅞
Consumers Gas	10	5.05	198	197	197	200	73	200	196
East Koot. Pr. (n.p.)	.	...	...	...	...	...	...	25	25
Do. pref.	7	7.07	...	...	...	...	...	99	99
Inter. Util. (A) (n.p.)	$3.50	7.14	49	47	48½	48½	42746	51¼	47
Do. (B) (no par)	.	...	10	9	9¼	10	6081	10⅝	9
Jamaica Pub Ser., Pf.	7	6.54	107	107	107	106	10	107	105
Laurentide Power	5	3.13	163	160	160	163	200	165	135
Mackay, com.	7	6.03	117	115	117	116	41	119¼	114⅞
Do. pref.	4	5.71	70	68½	69¾	70	368	70	67½
Mexican Light, c.	.	...	...	...	...	...	...	67	65
Do. pref.	3½	...	...	...	...	...	...	80	77
Mont. L. H. & P. (n.p.)	$2	2.16	93¾	91	91½	93½	4635	94½	89
Mont. Teleg. (p. $40)	8	6.03	53½	53½	53½	53¼	4	53½	53¼
Nor. Mex. Pr., c.	4	3.92	110	98	109	100½	5704	110	90
Do. pref.	7	6.96	100⅝	100	100	99⅝	130	100⅝	97
Ot. & Hull Pr., c. (n.p.)	.	...	40	40	40	40	4	44	35
Do. pref.	7	7.07	...	...	...	...	...	100¾	99
Ott. L. H. & Pr., c.	6	4.47	...	...	...	...	...	134	134
Do. pref.	6½	6.04	107½	106	107½	107	29	109	106
Power Corp., c. (n.p.)	.	...	77½	75	76¾	77	5548	79¼	70½
Do. pref.	6	5.98	100¼	99¾	99¾	100½	61	100½	99
Quebec Power, c.	$2	2.27	89½	87	88¼	89½	4636	92	86¾
Shawinigan (n.p.)	$2	2.15	93	91	92½	92¼	13656	93¼	87
S. Can. Pr., c. (n.p.)	4	2.87	139	138	138	140	35	145	114
Do. pref.	6	5.66	107⅞	106	107	107	29	107⅞	105
Transportation—									
Can. Pacific Rly.	10	4.87	206¾	204	206	210	75	215	204
Can. Steam, c. (n.p.)	.	...	33¾	31	32	33¾	447	35	31
Do. pref.	6	6.66	90	89	90	90	876	90¾	89
Do. voting	.	...	...	...	...	...	...	31	31
Tractions—									
Barcelona (par $50)	1	...	62	62	62	67	3	62	62
Brazilian, c.	7	3.47	223½	195	197	222	15977	223¾	195
Do. Rights	.	...	21	18	18¾	...	12368	21	18
Do. (New)	.	...	51	50½	51	...	1135	51	50½
Do. pref.	6	3.28	183	181	182	183	18	183	177
Detroit Un. Rly.	.	...	1	1	1	1½	100	1	1
Duluth-Superior	$2	10.52	19	19	19	20	20	22	19
Minneapolis S.S.	.	...	...	...	...	...	...	x43	42⅛
Mexican Trams.	.	...	...	...	...	...	...	x21	19¼
Montreal Trams.	10	5.12	195	195	195	195	50	200	190
Ottawa Traction	4+1	7.29	68½	68½	68½	68½	200	68½	68
Porto Rico Rlys., c.	$3	4.30	...	...	...	...	...	x70⅝	59
Do. pref.	7	7.00	100	98½	99	99	10	100	98½
Twin City, c.	4	8.00	50	47½	50	48	697	51	47
Do. pref.	7	6.71	...	...	...	...	...	104¼	104¼
Winnipeg Elec., c.	2	1.78	112½	110	111⅞	113	9993	115	98
Do. pref.	7	6.36	110	109	109	109	301	110	107
Textiles—									
Can. Conn. Cot., pref.	4	4.54	88	68½	84	70	663	88	66
Can. Converters	7	6.45	109	106	109	105	580	109	101
Can. Cotton, com.	8	5.26	152	148	152	145	105	152	140
Do. pref.	6	5.94	...	...	...	...	...	102½	100
Can. Woollens, com.	.	...	25	15	21	16	1217	25	14
Do. pref.	.	...	81	80	80	...	180	81	80
Cosmos Imp., c. (n.p.)	.	...	24½	22½	24¼	22½	792	24½	22
Do. pref.	7	7.03	100	99	99½	100	56	100	99
Dom. Tex., c. (n.p.)	$5	3.75	134½	131	133	133	1317	134½	130
Do. pref.	7	5.38	...	...	...	...	...	130	130
Monarch Knit, c.	.	...	...	...	...	...	...	x39½	7½
Do. pref.	.	...	48	48	48	45¾	20	48	45¾
Montreal Cottons, c.	6	5.21	115	115	115	115	5	115	115
Do. pref.	7	5.78	122	122	122	121	5	122	121
Penmans, c. (no par)	4	3.84	104¾	102½	104	104	100	106	100¼
Do. pref.	6	5.82	104	103	103	100	21	106¼	103
Wabasso Cot. (no par)	6	4.61	130	130	130	133	175	133	125
Zimmerknit (no par)	.	...	29½	27½	27½	28	1202	30	23
Do. pref.	7	7.60	92	91	92	91	204	93	91
General Industrials—									
Am. Sales, c. (p. $20)	4	5.00	80	75	79	79	319	80	71
Do. pref.	7	6.48	111	108	108	111	85	111½	108
Asbestos Co., c. (n.p.)	.	...	34¼	33	34¼	33½	4466	35	32¾
Do. pref.	7	7.44	94	93	94	93¼	996	96	92¼
Brant. Cd., p. (p. $25)	8	12.50	16	15	16	16	55	16	15
Building Prod., com.	$1.20	3.00	42½	37	40½	38¾	12880	42½	33¾
Do. pref.	7	6.73	104	104	104	105	50	105	104
Burt, F. N., c. (p. $25)	$3	3.94	76	68	75½	68	2495	76	66½
Can. Cement, c. (n.p.)	.	...	34	31½	33	32	15327	34	31
Do. pref.	.	...	100	98	99¾	99	3167	100	97½
Can. Bronze, c. (n.p.)	.	...	78	76	76	78	628	79½	67
Do. pref.	7	6.36	110	109½	110	110	254	110½	109¼
Conduits, c. (n.p.)	.	...	38	37	38	35	75	38	35
Do. pref.	7	6.86	102	102	102	102	120	102	101
C. Smelt. (par $25)	10+40	4.38	289½	270	285	271	28118	289½	251
Crow's Nest Coal	6	10.00	...	...	...	...	...	55	55
Dom. Glass, c.	7	5.22	134	133	134	133	361	135	128
Do. pref.	7	5.83	120	119	120	120	20	120⅝	119
Dom. Rubber, pref.	7	...	...	...	...	...	...	x75	75
E. Theat., c. (p. $25)	$2	7.00	29	29	29	28½	10	29	28½
Do. pref.	7	7.36	...	...	...	...	...	95	95
Famous Players, com.	.	...	90	83½	87⅝	82	488	90	40
Do. pref.	8	7.54	106	105	105	105	37	106	102
Gilman, com.	6	5.00	120	120	120	109	150	120	109
Do. pref.	7	5.69	123	122	122	123	10	123	115
Goodyear Tire, com.	$5	3.16	168	154⅞	165	157	2435	168	136
Do. pref.	7	6.51	108	107	107½	107½	682	108	104
Ham. Un. Theatres, c.	.	...	8	7	7	7	23	8	7
Do. pref.	7	8.53	...	...	...	...	...	82	82
Hayes Wheel, c. (n.p.)	.	...	27	26¼	27	28	381	31½	26¼
Do. pref.	7	7.21	97	96¼	96¼	98	25	100	96¼
Holt, Renfrew, c.	.	...	84	80	80	80	46	84	80
Do. pref.	7	7.44	94	94	94	92	20	94	92
Gotfred., c. (n.p.)	.	...	9	9	9	10	25	15	9
Int. Nic., c. (p. $25)	$2	2.04	100	94½	98	97	108057	100	81½
King Edward Hotel	$2	3.73	55	50	53	57	192	58	50
Lyall Construction	.	...	60	48	56	47	1945	60	47
Loew's, com.	.	...	40	40	40	40	100	40	40
Do. pref.	7	6.93	...	...	...	...	...	101	101
National Brick, com.	.	...	...	...	...	...	...	5	5
Do. pref.	6	8.00	75	74⅞	75	74½	160	75	60
Pacific Burt, com.	6	4.51	135	133	133	135	85	137	119½
Do. pref.	7	5.18	136	135	135	122	85	136	122
Port Hope San., com.	4	2.00	205	205	205	200	10	205	190
Do. pref.	7	6.03	...	...	...	...	...	x116	90
Rogers, Wm., com.	.	...	68	68	68	...	50	68	68
Do. pref.	7	6.93	101	101	101	101	10	101½	100¼
Sher-Williams, com.	6	3.35	...	...	...	...	...	180	179
Do. pref.	7	5.51	128	127	127	128	60	129	125
Standard Chem., pref.	.	...	...	...	...	...	...	25	25
Sterling Coal	.	...	...	...	...	...	...	19	19
Tooke Bros., com.	.	...	20	18	20	18	20	20	18
Do. pref.	7	10.29	68	68	68	67	5	68	67
Tuckett Tobacco, c.	4	4.08	98¼	98	98	100	100	100	98
Do. pref.	7	5.98	117	116	117	117	7	118	116
Woods Mfg., com.	.	...	...	...	...	...	...	x46	39
Do. pref.	7	9.03	77½	77½	77½	...	5	77½	77½
Beverage—									
Brading Brew. (n.p.)	$2	6.25	32	32	32	...	755	32	32
Brew. & Dist. (p. $25)	5	1.46	17½	17	17½	17¼	945	18	16
Can. Brew. (no par)	$2	5.26	40	37	37½	36	20601	40	34¼
C. Ind. Alc. (n.p.)	$1.52	3.97	40	68⅛	36½	39½	8250	40	36¼
Do. Rights	.	...	1.75	1.00	1.50	...	28488	1.75	1.00
Can. Malting (n.p.)	$1.50	4.00	40¼	38¾	38⅞	40	11520	40¾	35⅞
Carling Brew. (no par)	$2	4.81	43¼	40	40¼	42½	9565	44	37½
Com. Alco. (no par)	$1	2.56	40	36½	38⅝	38½	2781	40	25
Do. pref.	8	7.61	...	...	...	...	...	x110	103
Cosgrave B. (p. $10)	6	6.31	9¾	8½	9½	9	1945	9¾	8¼
Chas. Gurd, c. (n.p.)	$2	1.89	107½	102¼	106	103½	6118	107½	93
Do. pref.	7	6.54	...	...	...	...	...	107	106
Hiram Walker (n.p.)	$2	3.10	67	63	64	67	24895	69	63
Lake Ont. Brew. (n.p.)	$2	8.00	30	24	27	24	4083	30	23
Nat. Brew., c. (n.p.)	4	3.41	118	115	117	118	5805	118½	112½
Do. pref.	7	5.64	124	124	124	122½	135	124½	122
Nat. Distilleries	.	...	19	18	18	19	310	20¾	18
Seagram (no par)	.	...	32¼	25¾	27½	25½	90023	32¼	24½
Toronto Brew. (n.p.)	.	...	10	9½	9⅞	9½	940	10	9½
Pelissiers	.	...	15	13¾	14¼	...	2910	15	13¾
Oil—									
Ajax	.	...	50½	43	49½	45	57600	80	43
B.C. Oilfields (par $5)	.	...	...	...	...	...	...	x2¾	2
Beacon Oil	.	...	15½	15½	15½	15	40	17½	15
Br. Am. Oil (n.p.)	80+20c	2.63	39	37½	37⅞	38¾	20428	40½	37
Can. Oil, c. (no par)	$1	1.72	60	56½	59¾	58½	2035	62¼	44
Do. pref.	8	5.47	147½	145	146	145	132	170	135
Continental Oil	$1	4.54	...	...	...	...	...	22	22
Foothills Oil	.	...	...	...	...	...	...	2.58	2.25
Frontenac Oil	.	...	32	31	32	32	925	34	30¼
Imperial Oil (no par)	$1.50	2.46	63	60½	61¼	63	6548	65¼	59
Int. Pete. (no par)	75c	1.87	41¼	39	39¾	41	13788	44	36¾
McColl-Fron.	.	...	33	31½	32½	32¼	10221	33¾	31⅜
Do. pref.	.	...	...	...	...	...	...	89	89
North Star, c. (p. $5)	.	...	2.50	2.50	2.50	2.65	40	2.75	2.50
Do. pref. (par $5)	7	...	...	...	...	...	...	6.50	5.10
Petrol Oil	.	...	20	15	19	18	44400	21⅞	15
Supertest Pet., c.	.50+50c	1.05	95	93	94½	93	255	96	70
Do. pref.	7	7.07	99	99	99	98	10	99	97
Trojan Oil	.	...	...	...	...	...	...	x8.60	4.00
Venezuelan Pet. (p. $5)	20c	...	...	...	...	...	...	x7½	6½
Volanic Oil	$1.40	4.00	37	35	35	35	240	37	29
Vacuum Gas	.	...	10	9½	9¼	9⅞	5100	12½	9
Trust and Loan—									
Can. Permanent	12	5.08	238	234½	238	234	53	238	230½
Col. Invest. (par $10)	6	...	...	...	...	...	...	5	4
Econ. Invest. (par $50)	4	3.44	58	58	58	59	110	59¾	58
Huron & Erie	7+½	4.83	155	155	155	152	1	155	152
Landed Banking	10	5.00	...	...	...	...	...	205	200
Mont. Loan (par $50)	12+1	6.76	...	...	...	...	...	x52¾	47
National Trust	12+1	4.56	...	...	...	...	...	x285	232
Ont. Loan (par $50)	12	5.00	...	...	...	...	...	x120	111
Real Estate Loan	7	6.54	...	...	...	...	...	x107	100
Toronto Gen. Trusts	12	4.31	...	...	...	...	...	278	275
Toronto Mge. (p. $50)	12	5.26	...	...	...	...	...	114	114
Union Trust	7+1	5.92	...	...	...	...	...	135	135
CURB AND UNLISTED MARKETS									
Asch, com. (no par)	.	...	28¾	25¼	28½	25	125	30	24½
Do. pref.	.	...	92⅞	92¼	92¾	92¾	75	93	90
Attendu Eng. (par $1)	.	...	16	15	15	16	545	21	12
Belding, com.	6	6.38	95	93	94	92	35	95	80
Do. pref.	7	7.07	...	...	...	...	...	x100	96½
Can. Celanese (n.p.)	.	...	73½	63	64	73	490	78	63
Do. pref.	.	...	100	98½	99	99	365	103½	98
Can. Light & Power	.	...	47	47	47	48	10	49	43
Can. Nor. P., c. (n.p.)	.	...	70½	70	70½	70	27	71	65
Do. pref.	7	6.86	102	100	102	102	105	102½	100
Cockshutt, com.	.	...	...	...	...	...	...	22⅞	21⅞
Do. pref.	4	2.96	142½	127½	135	141	2160	143½	105¾
Cooksville Sh. Brick, c.	.	...	...	...	...	...	...	x14	10¾
Do. pref.	4	...	...	...	...	...	...	x55	50½
Dom. Engineering	$2.60	4.33	62½	59½	59½	62	400	65	52
Do., Rights	.	...	115	95	99	115	870	115	95
Dom. Power, pref.		6.93	...	...	...	...	...	x102	100
Dryden Paper (no par)	.	...	45½	42	44¾	43½	14437	46¼	33
E. Dairies, c. (n.p.)	.	...	54	52½	52½	53½	143	55	52½
Do. pref.	7	7.00	...	...	...	...	...	100	99
Eng. Elec., c. (no par)	.	...	22	20	20¾	20½	117	22	11
Do. pref.	.	...	112	106	106	110	325	112	75
Farm. Dairy, c. (new)	.	...	25¾	24½	24½	26	615	27	24½
Do. pref.	7	...	...	...	...	...	...	110	110
For. Pr. Secs. (n.p.)	.	...	48¾	46	47	47½	2443	48⅞	38½
Illinois Power, pref.	7	6.89	...	...	...	...	...	101½	100½
Imp. Tob., c. (par $5)	6+2	4.00	10½	10	10¼	10¼	16175	10¾	9¼
Inter. Power, com.	.	...	42½	40½	41½	43	385	43¼	40
Do. pref.	7	7.03	100	99	99½	99¾	172	100	97
Kemsley Milburn	.	...	17⅛	16½	16⅝	17¼	185	17⅝	15⅝
Loew's London, com.	3	...	...	...	...	...	...	5¾	5¾
Man. Power (no par)	$2	1.92	106	97½	106	98	2166	106	85
Mitchell, J. S., c.	.	...	40	39	40	39½	130	41½	38
Do., pref.	7	7.03	...	...	...	...	...	99½	99½
Mount Royal, com.	.	...	...	...	...	...	...	x6	3
Do. pref.	6	...	...	...	...	...	...	x55¾	40
Municipal Service	.	...	12	11	11½	12½	1076	15	11
North. Bak. (no par)	.	...	54	47¼	49¾	47	40249	54	42½
N.S. Car, c. (no par)	.	...	49	42½	48	43	21120	49	39
Ott. Mtl. Pr., c. (n.p.)	.	...	...	...	...	...	...	x25	19
Do. pref. (par $50)	7	...	...	...	...	...	...	x53⅝	47
Ott. Riv. Pr. (no par)	.	...	...	...	...	...	...	25	25
Paton Mfg., c. (n.p.)	.	...	63	63	63	55	25	63	55
Do. pref.	.	...	...	...	...	...	...	103	103
Perfection Glass	.	...	6	5	5	5¾	13936	8¾	3⅛
Photo Eng. (no par)	.	...	41	39	39	41	2980	41¼	33
E. L. Ruddy, pref.	7	6.96	100½	100	100½	100	504	101	100
Service Stn. Equip.	$1.60	3.40	48	45	46	46¾	4265	48	37½
St. Maur. Power	4	2.19	182	180½	182	182½	380	185	170
Simpson, Robt., pref.	6	5.82	...	...	...	...	...	103	102½
Sover. Secs. (par $5)	.	...	...	...	...	...	...	x2.00	1.50
St. Law. Pap., c. (n.p.)	.	...	107	104	104	108	255	110	100
Do. pref.	8	6.78	...	...	...	...	...	120	116
Standard Clay	.	...	...	...	...	...	...	x40	38
United Secs., com.	.	...	...	...	...	...	...	64½	64
Do. pref.	6	5.71	105	104½	105	104¾	37	105	104
Wallace Sand	.	...	...	...	...	...	...	x3	2¼
Wolthausen (no par)	.	...	...	...	...	...	...	x25	20

†Arrears.
xQuotations for 1927. No sales record ed in 1928 to date.

Bond Movement of the Week

Week ending January 31

Bonds	Int. Rate	Due	Yield	Range 1927 High	Range 1927 Low	Range 1928 High	Range 1928 Low	Ask	Latest Price Bid	Latest Price High	Low
Asbestos, gen. mtge.	6	1956	6.04	98	88	99⅜	97½	99⅜	99	99¾	
Can. Canners	6	1950	5.86	102	96½	102	101½	102	101½	101¾	...
Can. Pr. & Pa. deb.	5	1958	5.26	...	...	96⅛	96	...	...	96⅛	96
Cedar Rapids	5	1953	4.65	101⅞	96⅝	105¼	105¼	105¼	105	105¼	...
Dom. Canners	6	1940	5.56	...	...	104	104	...	103	104	...
Montreal Tram A	5	1955	4.86	100	94¼	102	99¾	101⅞	...	102	104¼
Nat. Breweries	6	1939	5.42	105	105	105	105	105	...	105	...
Quebec Rly.	5	1939	4.85	101½	96	101½	101	101½	101¾	101¾	...
Wayagamack	6	1951	5.65	103½	97	104½	103½	104½	103	104½	...
War Loan	5	1931	4.12	102.70	101.10	102.70	102.20	102.75	102.50	...	...
Do.	5	1937	4.12	106.75	102.95	106.70	106.20	106.55	106.20	106.25	...
Victory Loan	5½	1933	4.30	106.55	103.35	106.50	105.85	106.25	106.00	106.10	105.85
Do.	5½	1934	4.52	105.55	102.80	105.85	105.10	105.90	105.70	105.80	105.55
Do.	5½	1937	4.05	111.15	106.85	110.95	110.30	110.70	110.40	110.70	110.60
Do., renewal	5½	1932	4.50	104.10	101.85	104.95	104.00	104.70	104.15	104.95	104.03
Do., refund	5	1928	4.50	101.50	99.75	100.60	100.15	100.70	100.45	100.35	100.30
Do., refund	4½	1940	4.30	103.40	96.50	102.65	102.35	102.70	102.45	102.65	102.40
Do., refund	5	1943	4.45	106.40	102.30	106.00	105.05	106.20	105.95	105.95	105.05
Do., refund	4½	1944	4.30	103.00	96.60	103.05	102.40	103.00	102.75	103.05	102.75
Do., refund	4½	1946	4.28	102.70	96.70	102.95	102.70	103.95	102.95	102.75	...

Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Feb. 1	111.3	106.1
Week of Jan. 25	109.0	104.3
Month of Jan., 1927	84.2	79.8
9 Bank Stocks		
Week of Feb. 1	$290	$286
Week of Jan. 25	288	284
Month of Jan., 1927	242	230
10 Public Utilities		
Week of Feb. 1	$114	$110
Week of Jan. 25	115	111
Month of Jan., 1927	91	85

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	3	3	3	9
Paper	11	5	5	21
Steel	17	9	14	40
Foodstuffs	25	9	21	55
Utilities	9	11	12	32
Tractions	1	6	10	17
Textiles	10	2	7	19
Industrials	37	19	39	95
Total	113	64	111	288

NEW YORK CURB

	Close Jan. 18	Close Jan. 25	Close Feb. 1
Brit. Amer. Oil	38	..	38
Bunker Hill	141½	155	..
Can. Marconi	3½	3½	3¾
Dom. Stores	109	117¼	122⅞
Ford Canada	515	527	525
Imp. Oil Can.	61	61⅛	61
Inter. Petrol.	39¼	39¾	39
Inter. Util. "A"	48¾	48⅜	49½
Do., "B"	9⅝	9⅜	9½
Nipissing	5¾	5¾	5½
Noranda	21⅞	22	20¾
Premier Gold	2⅜	3⅛	..

Foreign Exchange

NEW YORK FUNDS

	High (Premium)	Low (Premium)	Last year High (Premium)	Last year Low (Premium)
Jan. 26	9-64	1-8	5-32	5-32
Jan. 27	9-64	1-8	5-32	5-32
Jan. 28	5-32	9-64	5-32	5-32
Jan. 30	5-32	5-32	5-32	9-64
Jan. 31	3-16	11-64	5-32	5-32
Feb. 1	11-64	11-64	5-32	9-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Jan. 26	4.87 1-16	3.92 3-4	5.29
Jan. 27	4.86 15-16	3.92 3-4	5.29
Jan. 28	4.87	3.92 3-4	5.29 1-8
Jan. 30	4.86 13-16	3.92 3-4	5.29 1-4
Jan. 31	4.86 3-4	3.92 5-8	5.29 1-4
Feb. 1	4.86 13-16	3.92 5-8	5.29 5-8

FOREIGN EXCHANGE

Par		Jan. 25	Feb. 1
13.90	Italian	5.30	5.31
23.82	German	23.88	23.88
19.30	Belgium	13.96	13.96
84.85	Japan	47.00	46.95

CALGARY OIL STOCKS

Close of Calgary oil stocks as received by E. A. Pierce & Co., Toronto, Feb. 1, were: Dalhousie, $2; Alta. Pac. 27; McLeod, 210; Royalite, 34; Brit. Dom., 27; Ill. Alta., 45; United, 80; Vulcan, 225; Devenish, 25.

Northern Mexico Power

December	1927	Inc.
Gross	$133,326	$9,402
Net	112,281	8,333
For 12 months		
Gross	1,530,587	224,534
Net	1,283,630	228,365

Dividends Declared

	Rate	Date	Record
So Canada Power, c.	$1	Feb. 15	Jan. 31
Penmans, com.	$1	Feb. 15	Feb. 6
Inter. Paper, c.	60c.	Feb. 15	Feb. 1
Brazilian Tr.	1¾%	Mar. 1	Jan. 31
East. Theat., c.	50c.	Mar. 1	Jan. 31
Massey-Harris, pfd.	1¾%	Feb. 15	Jan. 31
Bank of Toronto	3%	Mar. 1	Feb. 15
Royal Bank	3%	Mar. 1	Jan. 31
Dom. Engineering	65c.	Apr. 14	Mar. 31
Dom. Bridge	65c.	Feb. 15	Jan. 31
Capital Trust	5%	Mar. 1	Dec. 31
A. W. Chase, pref.	2%	Feb. 10	Jan. 31
Famous Players, pfd.	$2	Mar. 1	Jan. 31
McIntyre	5%	Mar. 1	Feb. 1
Barcelona Tr., c.	1%	Feb. 10	Jan. 31
Do., pref.	1%	Feb. 10	Jan. 31
Ont. Steel, com.	1½%	Feb. 15	Jan. 31
Do., no par	37½c.	Feb. 15	Jan. 31
Do., pref.	1¾%	Feb. 15	Jan. 31
Bank of Montreal	3%	Mar. 1	Jan. 31
Lake of Woods, c.	3%	Mar. 1	Feb. 15
Do., pref.	1¾%	Mar. 1	Feb. 15
Crow's Nest	1½%	Mar. 1	Feb. 10
Bank of Commerce	3%	Mar. 1	Feb. 14
Can. Oil. com.	25c.	Feb. 15	Feb. 1
Do., pref.	2%	Apr. 1	Mar. 20

Rev. Father MacDonell, managing-director of the Scottish Immigration Aid Society, who is now en route to the British Isles, stated before leaving that he expected to bring out thirty more families to complete the Clan Donald Colony, which was established in Northern Alberta in 1926, from families in Northern Ireland and Scotland. The colony is flourishing.

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The Royal Bank of Canada

DIVIDEND No. 162

NOTICE is hereby given that a Dividend of Three per cent being at the rate of twelve per cent (per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Thursday, the first day of March next, to shareholders of record at the close of business on the 31st day of January.

By order of the Board.

C. E. NEILL,
General Manager.

Montreal, Que., January 13, 1928.

INTERNATIONAL PAPER COMPANY

New York, December 28th, 1927.

The Board of Directors have declared a quarterly dividend of Sixty (60c) Cents a share on the Common Stock of this Company, payable February 15th, 1928, to Common Stockholders of record at the close of business February 1st, 1928.

Checks to be mailed. Transfer books will not close.

OWEN SHEPHERD,
Vice-President and Treasurer.

Tenders for Debentures

Sealed tenders addressed to the undersigned and marked "tenders for debentures" will be received until 12 o'clock noon, Tuesday, February 14, 1928, for the purchase of $81,000 County of Peel debentures bearing 5% interest and payable in ten equal annual instalments as to the principal and interest. Issued under the authority of by-law No. 692 to pay 20% cost of construction of provincial highways within the said county for the years 1927 and 1928.

W. M. WILLIS,
County Clerk,
Brampton, Ont.

Brokers Accounting Systems

Persons experienced in installing systems in Brokerage Offices (especially to take care of marginal transactions) are open for engagements in Canada on a fee basis. Have thorough knowledge of Canadian stock exchanges. Inquiries invited. References given.

Box 152,
Financial Post, Toronto

Canadian Hydro-Electric Corporation, Limited

Notice of Dividend on 6% Cumulative First Preferred Stock

Ottawa, January 25, 1928.

The Board of Directors has declared the initial quarterly dividend of 1½% ($1.50 a share) on the shares of 6% Cumulative First Preferred Stock of the Company, payable in cash March 1, 1928, to holders of record of such stock at the close of business February 10, 1928. Cheques will be mailed. Stock Transfer Books will not close.

OWEN SHEPHERD,
Treasurer.

STOCK FOR SALE BY TENDER

To close an estate tenders will be received by the undersigned, up to the tenth of February, 1928, for all or part of a block of 3,000 shares of capital stock of The Sleeman's Spring Bank Brewery Company, Ltd., par value of shares $10.00 each.

The highest or any tender not necessarily accepted.

Apply to

THE GUELPH TRUST COMPANY,
Guelph, Ontario

FOREIGN POWER SECURITIES CORPORATION Limited

6% Preferred Dividend No. 3

A Dividend of one and one-half per cent. (1½%) (being at the rate of 6% per annum) has been declared on the 6% Cumulative Participating Preferred Stock of Foreign Power Securities Corporation Limited, for the quarter ending January 31st, 1928, payable February 15th, 1928, to shareholders of record at the close of business January 31st, 1928.

By Order of the Board.

L. C. HASKELL,
Secretary.

Montreal, Jan. 9th, 1928.

WAYAGAMACK PULP & PAPER COMPANY LIMITED

Dividend No. 12

Notice is hereby given that a Dividend of Seventy-five cents (75c) per share has been declared on the No Par Value Common Stock of the Company, for the quarter ending February 29th, 1928, payable March 1st, 1928, to Shareholders of record at the close of business on February 15th, 1928.

By order of the Board,

D. L. ADAMS,
Secretary-Treasurer.

Montreal, Que., January 19th, 1928.

The Canadian Bank of Commerce

Dividend No. 164

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 29th February, 1928, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st March next, to shareholders of record at the close of business on the 14th day of February, 1928. The transfer books will not be closed.

By Order of the Board.

S. H. LOGAN,
General Manager.

Toronto, 20th January, 1928.

Canada Steamship Profits May Run About 1926 Figure

From Our Own Correspondent

MONTREAL.—It is reported that earnings of the Canada Steamship Lines for the fiscal year just concluded will run about the 1926 figure, when profits of $2.59 were shown on the common stock. If the profits of the company were maintained at the 1926 figure, such a showing will be regarded as satisfactory by the shareholders, as the company was handicapped in several directions in its operations during the 1927 season.

Because of the typhoid epidemic in Montreal, and due to the unsea sonable weather conditions whtich prevailed through a great part of the tourist season, the passenger traffic did not measure up to expeceations. There was an increase in the package freight handled by the company in the season just concluded; grain shipments were little changed from the preceding year.

WAYAGAMACK'S TOUCH NEW HIGH AS RUMORS FLY

Some Have It Sold to Dryden — Others to Canada Power

From Our Own Correspondent

MONTREAL.—All kinds of rumors are circulating regarding the Dryden Paper Company and the Wayagamack Pulp and Paper Company. One school of thought says that Wayagamack is to acquire Dryden whilst another believes that a consolidation of Wayagamack and the new Canada Power and Paper Company is anything but remote. The Canada Power and Paper Company is the new St. Maurice-Laurentide merger company.

Wayagamack's shares have touched new high levels and its present price, while high, is certainly not out of line with other companies in the industry, especially when the fair market for sulphate pulp and kraft paper are considered. Markets for both sulphate and kraft during the past year and at present are in a much more satisfactory state than the market for sulphite pulp or newsprint paper.

Wayagamack's Lone Hand

Wayagamack has right along played a lone hand. It operates under capable management and until some official information is forthcoming, investors may reasonably doubt the truth of the rumors which are now so persistent. Ultimately some further consolidation in the valley of the St. Maurice, or a consolidation between Wayagamack and Dryden is more than a possibility, but in any such consolidation, the Wayagamack management would drive a hard bargain which would result favorably for its shareholders. It may well be that other interests would not be willing to meet Wayagamack's price.

The present market value of Wayagamack's shares places a value on the stock outstanding of some $12,000,000 as against $5,000,000, the figure at which the shares are carried on the books. The company recently sold limits in Gaspe to the International Paper Company for $1,300,000—a factor which again strengthens Wayagamack's position.

Similarity in Products

The reason for the rumor that Wayagamack would acquire Dryden is due to the fact that both companies produce sulphate pulp and kraft paper. While Wayagamack, through its wholly owned subsidiary, Wayagamack News, produces 160 tons of newsprint daily, yet its kraft pulp and paper production is still the dominant end of the business.

One argument in favor of bringing together these two mills consists in the strategic location of Dryden to handle western orders, thus eliminating heavy freight charges on Western shipments made at Wayagamack's plant at Three Rivers.

While nothing may come of these suggested further mergers in the industry, yet the persistency of the rumors probably indicates that negotiations along some of the foregoing lines have at least been started.

No doubt in the past Wayagamack has time and again been approached by other interests including the St. Maurice Valley Corporation, but always these offers have been turned down. There is no doubt, also, that plans for a reorganization of Dryden have also been formulated. Before Dryden can pass out of the receiver's hands, the company must liquidate its several years' arrears of debenture interest. Probably these arrears will be liquidated by a distribution of Dryden stock to the debenture holders; should Dryden enter a merger, the debenture holders would receive stock in a new company in lieu of their interest.

A hog pool under the direction of the United Farmers' Co-operative Co. was approved at a meeting held at Toronto January 24.

February Bond List

Our February Bond List should assist investors to whom security of principal and assurance of regular income are the first essentials.

Copy will be gladly furnished upon request.

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Current Events in Banking World

Bank Chat

Standard Bank's main branch at Hamilton is being moved to temporary quarters at King and Hughson Streets where the Canadian Bank of Commerce was formerly located. The new Pigott building is to be erected on the Standard's old site.

J. L. Carson, of the Bank of Toronto, was re-elected chairman of the Montreal clearing house, and P. C. Stevenso:, of the Canadian Bank of Commerce, vice-chairman.

C. K. Highmoor, of the foreign department of the Bank of Commerce, has been as far as Victoria on bank business.

C. W. Rowley, assistant general manager of the Canadian Bank of Commerce, is treasurer of the advisory council of the Empire Shopping Week campaign to be held April 21 to 28.

O. D. Robinson has resigned as manager of the Imperial Bank, Yonge and Bloor, Toronto, and has joined Fleming and Marvin, brokers.

A. A. Stewart, manager of the Bank of Montreal, Granby, Quebec, has been transferred to Cornwall, Ontario. The manager at Cornwall, A. H. Trueman, was transferred to head office as inspecting officer.

J. A. Glennie, manager of the Bank of Commerce at Delhi, Ontario, and Mrs. Glennie, are on the C.P.R. West Indies cruise.

Leighton McCarthy, K.C., Toronto, has been elected a director of the Bank of Nova Scotia. William G. Birks, of Montreal, and Hon. J. C. Tory, of Halifax, have also been added to the board.

Lewis Murray, accountant at the Royal Bank, Sydney, N.S., has been transferred to St. John. Arnold McAlpine, at St. John, has been sent to Montreal.

G. R. Cottrelle, of the head office of the Bank of Commerce, has left for a trip abroad.

J. S. Davidson, for some time past manager of the Ponoka, Alberta, branch of the Bank of Montreal, has been appointed manager at High River.

Imperial Bank has bought a site for a new head office building in Toronto, paying about one million dollars for the property. The site is at the south-east corner of King and Bay Streets, and was acquired recently by Sir Herbert Holt and J. H. Gundy, for the erection of an office building.

George L. Nash, assistant inspector of the Canadian Bank of Commerce, died in Regina while playing Badminton.

Joe Lamb, forward star of the Royal Bank team in the Montreal Bankers' hockey league, has signed up as a pro with the Montreal Maroons.

Imperial Bank has opened a branch at Meeting Creek, Alberta in charge of M. Cook.

Frank C. Woolley, of the Bank of Montreal, Delhi, Ontario, died a few days ago.

C. Munro, manager of the Standard Bank, Ilderton, Ontario, has resigned, and will enter the grocery business.

H. Davey, accountant of the Bank of Toronto, Meronne, Saskatchewan, has been transferred to Rosetown.

A branch of the Imperial Bank has been opened at Meeting Creek, sub to Ferintosh, Alberta, which will be open on Tuesdays and Fridays.

J. B. Priestman, formerly manager of the King and Spadina branch of the Imperial Bank has been appointed manager, Yonge and Bloor, Toronto.

G. S. Ball, formerly accountant, Welland branch of the Imperial Bank, has been appointed manager, Niagara-on-the-Lake, Ontario.

S. G. Hooker, formerly accountant of the Imperial Bank at Saskatoon, has been appointed manager, Hepburn, Saskatchewan.

W. G. Chambers, formerly accountant of the Imperial Bank, Prince Albert, has been appointed accountant, Saskatoon, Saskatchewan.

J. F. MacKay, acting manager of the Imperial Bank, Portage la Prairie, and formerly manager, Fort Qu'Appelle, has been appointed manager, Portage la Prairie, Manitoba.

M. Cook, formerly accountant of the Imperial Bank, Ferintosh, has been appointed accountant-in-charge of Edberg, and the new branch Meeting Creek, Alberta.

N. B. Cummins, formerly manager of the Imperial Bank, Hepburn, Sask., is being transferred to Toronto, Ontario.

The following out of town officials of the Dominion Bank attended the annual meeting in Toronto, which took place on January 25:—F. L. Patton and R. K. Bearisto, Winnipeg; Robert Rae, New York; A. M. Cowie, Windsor; C. O. Fellowes, Ottawa; J. L. Hunt, Calgary; W. A. Radcliffe, Regina; N. Evans, G. J. Vicars, R. W. Fitzgerald and F. V. Hill, Hamilton; J. K. Muir and J. B. O'Neill, Montreal; W. E. Scott, Belleville; J. G. Hall, Brampton; G. C. Kenzie, Brantford; W. Watts, Chatham; J. W. Spragge, Cobourg; A. E. Gibson, Guelph; W. E. Glenney, Huntsville; R. D. Boughner, Kitchener; J. W. Maize, Leamington; M. E. Grant, Lindsay; B. B. Manning, London; R. F. J. Ford, Niagara Falls; T. W. Joyce, Oshawa; P. C. Marsh, St. Thomas; J. H. Perry, Whitby.

Geo. Schurman, who has been manager of the Bank of Nova Scotia at Petitcodiac for a number of years, is being transferred to the Bank of Nova Scotia in West Saint John.

The Victoria, B.C., city employees' contribution and superannuation allowance account will be kept at the Dominion Bank of Canada with interest payable at three and a half per cent. per annum, it was decided at a meeting after a long and heated dispute of the board sitting in camera.

C. S. Murray, who has been in the Standard Bank at Watford for some time, has resigned as teller and left for Ottawa where he has secured a civil service appointment on the staff of Hon. J. C. Elliott. E. S. Moran, of the Strathroy branch, has taken his place at Watford.

Frank Marlatt Scarff, manager of the Bank of Montreal in Windsor, and for more than 47 years actively engaged in the banking business, was due to retire from the service at the end of January. He has been superannuated at his own request.

Weekly Bank Clearings

(As compared with same week last year)

Eastern Cities

	Jan. 27, 1927	Jan. 26, 1928
Halifax	$ 2,743,073	$ 2,572,184
St. John	2,291,947	2,477,947
Moncton	758,225	759,269
Sherbrooke	750,074	833,667
Quebec	5,384,001	4,667,924
Montreal	106,146,648	148,198,627
Ottawa	5,269,698	6,479,266
Kingston	637,397	767,906
Peterboro	762,407	834,901
Toronto	119,639,088	147,919,269
Hamilton	4,561,672	6,015,931
Brantford	1,013,191	1,185,507
Sarnia	462,624	478,463
London	2,704,840	2,897,822
Kitchener	908,437	1,124,985
Windsor	3,749,987	....
Chatham	818,066	1,025,067

Western Cities

	Jan. 27, 1927	Jan. 26, 1928
Fort William	$ 743,941	$ 796,931
Winnipeg	37,804,376	46,035,681
Brandon	400,479	453,951
Regina	3,177,409	4,165,948
Moose Jaw	1,016,788	1,104,476
Saskatoon	1,331,021	....
Prince Albert	329,947	360,711
Lethbridge	407,928	360,334
Calgary	6,994,246	10,576,406
Edmonton	5,319,955	5,213,250
Medicine Hat	190,867	330,607
New Westminster	661,289	661,285
Vancouver	16,490,090	19,951,578
Victoria	2,157,869	2,378,159

Monthly Bank Clearings

(In comparison with same month last year)

Eastern Cities

	January, 1927	January, 1928
Halifax	$ 13,021,236	$ 12,670,408
Saint John	11,264,095	11,681,204
Moncton	3,961,801	3,759,611
Quebec	25,476,827	27,511,409
Sherbrooke	3,587,304	3,708,609
Montreal	474,437,219	634,110,058
Ottawa	26,451,654	30,621,869
Kingston	2,958,926	3,454,760
Peterborough	3,739,527	4,349,027
Toronto	512,802,497	669,303,560
Hamilton	22,424,319	25,644,406
Brantford	4,640,192	5,329,900
London	13,201,261	14,871,374
Kitchener	4,517,365	5,392,255
Windsor	16,687,365	19,304,723
Fort William	3,442,593	......

Western Cities

	January, 1927	January, 1928
Winnipeg	$186,980,986	$225,858,842
Brandon	2,200,520	2,383,181
Regina	17,766,630	21,042,017
Moose Jaw	5,381,946	5,919,874
Saskatoon	7,230,330	10,658,289
Prince Albert	1,675,553	1,875,600
Lethbridge	2,196,287	2,675,029
Calgary	32,305,225	50,838,438
Edmonton	23,025,499	27,879,204
Medicine Hat	1,096,905	1,634,664
New Westminster	3,139,985	3,105,115
Vancouver	74,237,750	92,163,790
Victoria	8,411,576	9,904,443

ALCOHOL RIGHTS AT $1

From Our Own Correspondent

MONTREAL. — Rights to the new class B stock of the Canadian Industrial Alcohol have changed hands at $1, which places an indicated value on the new stock of 28. The only difference between the class A and the class B stock is that the class B is non-voting; thus the control of the company remains in the hands of those now responsible for its management. The return on the shares at such a price is equal to 6 per cent. In view of the record of the company and the possibility of a reduction in the excise tax in the forthcoming budget, the new B stock at $28 a share looks attractive.

The production of aero engines will be started in Ottawa within a few weeks by the Armstrong Siddeley Motors, Limited.

D. J. McDougald   J. B. McArthur

Government, Municipal and Corporation

BONDS

D. J. McDOUGALD & CO.

Trusts and Guarantee Bldg.
302 BAY STREET   ELGIN 2278
The Partners Personally Advise as to Investments

High Class Investment Securities

DICKSON, JOLLIFFE & Company

302 Bay Street - TORONTO
Phones Elgin 2711 and Elgin 4480

The Royal Bank of Canada

Head Office, Montreal

Condensed Statement to the Dominion Government

December 31, 1927

LIABILITIES

Capital Paid up	$ 30,000,000.00
Reserve Fund	30,000,000.00
Undivided Profits	1,809,831.87
Notes in Circulation	42,143,133.94
Deposits	684,394,465.57
Due to other Banks	31,708,716.19
Bills Payable (Acceptances by London Branch)	3,687,556.80
Letters of Credit outstanding	38,902,015.13
	$862,645,719.50

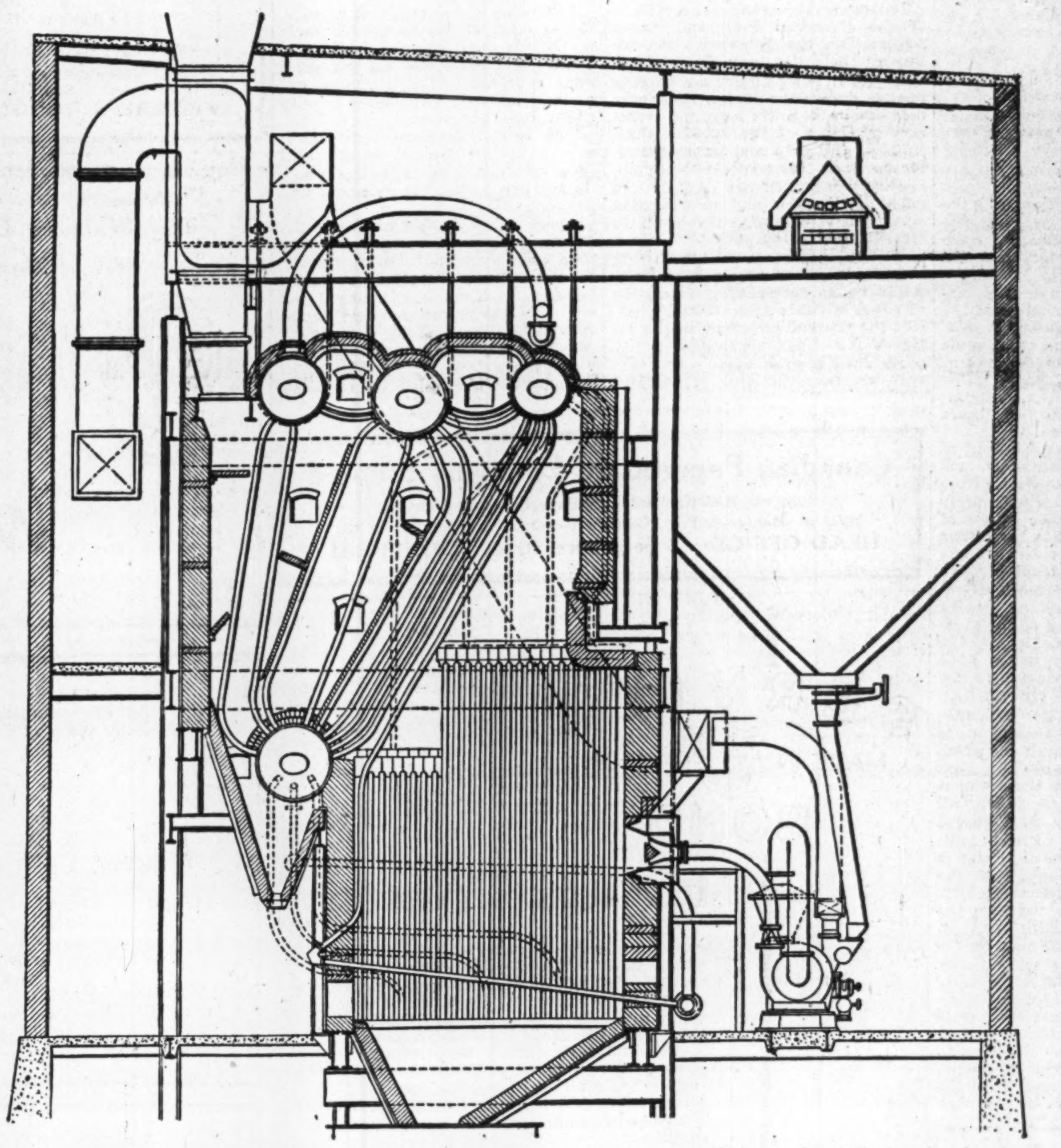
ASSETS

Cash on Hand and in Banks	$126,728,738.53
Deposit in the Central Gold Reserves	15,000,000.00
Government and Municipal Securities	115,570,437.33
Railway and other Bonds, Debentures and Stocks	15,273,653.00
Call Loans in Canada	60,023,558.06
Call Loans elsewhere than in Canada	75,883,260.38
	$408,479,647.30
Loans and Discounts	396,907,583.74
Liabilities of Customers under Letters of Credit as per contra	38,902,015.13
Bank Premises	13,712,661.11
Real Estate other than Bank Premises	1,950,885.84
Mortgages on Real Estate sold by the Bank	1,392,926.38
Deposit with Dominion Government for Security of Note Circulation	1,300,000.00
	$862,645,719.50

878 BRANCHES IN CANADA, NEWFOUNDLAND, WEST INDIES, CENTRAL and SOUTH AMERICA, also LONDON, NEW YORK and BARCELONA.

Auxiliary: THE ROYAL BANK OF CANADA (France)

STEAM GENERATION



This modern steam generating unit consists of a Lopulco Direct-fired Pulverized Fuel System; a C E Fin Furnace in which refractories have been reduced to a minimum; a bent tube boiler; and a C E Plate-type Air Pre-heater.

— is a combined process of heat liberation and heat absorption. To assure efficient and dependable performance, the fuel burning equipment, the furnace and the boiler must be co-ordinated in one unified design.

There is no sharp dividing line between the responsibilities for design of these component parts. Their performance as individual elements is secondary to the performance of the combination, as a unit.

The ultimate aim is to produce steam at minimum cost, giving proper consideration to all factors entering into the problem of steam-generation.

This Company is an Organization of Canadian engineers with experience in the design and operation of nine Pulverized Fuel Steam Plants in Canadian pulp and paper mills. It is equipped to offer one contract and one responsibility for complete steam plants—from coal pile to stack.

Combustion Engineering Corporation *Limited*

Power Plant Equipment

MONTREAL, TORONTO, WINNIPEG, VANCOUVER

Pulp & Paper

Second Thin Year Ahead for Canadian Newsprint

Great Deal Depends on Whether There is Any Material Increase in Demand for Advertising Space in U.S. During 1928

From Our Own Correspondent

The year 1928 in the Canadian newsprint industry has all the earmarks of being a "marking time" period in this industry's history. This continent has yet to absorb the tremendous increase in rated capacity of mills that occurred during 1927, and although there will in all probability be very few new developments during the coming year, nevertheless there will be at least 13 new newsprint machines installed and operated.

These 13 new machines are all due to come into operation in 1928 so that by the end of the year, Canada's newsprint output will be increased by approximately 1,385 tons per day, which represents a 14.5 per cent. increase over the rated capacity of Canadian mills in 1927.

How then does this projected increase in tonnage for 1928, compare with the present situation which exists in the industry? Perhaps before an attempt is made to answer this question, it might be as well to review briefly the important factors which affect the Canadian industry.

In the first place there is the dominant factor of United States business conditions which exerts a direct influence on newsprint production through the medium of newspaper advertising. Quite obviously if business conditions are good, advertising is done on a large scale and it is the amount of advertising lineage in the papers of this continent that determines the amount of production that will be needed from newsprint mills.

Rated Mill Capacity

Allied to this fundamental factor are many other important considerations such as the relation of present rated capacity of the mills to actual output; the prospective increase in capacity which will take place during this year; the price of newsprint and the effect of mergers on the industry.

Then there must be considered the relative position of Canadian and United States producers, for obviously Canadian production is effected by the position of the competing mills in the States.

Taking first of all this primary consideration of United States newsprint consumption, the most encouraging sign lies in the fact that any decrease in consumption that has ever taken place has always been more than made up in the succeeding year. In other words, if consumption falls off in one year, this decline has been more than offset in the succeeding year.

Applying this to existing conditions, we find that although there was not any actual decrease in production in 1927, nevertheless the continent's consumption of newsprint was virtually at a standstill. The following figures for production on the North American continent tell the story:

Total Newsprint Production on North American Continent

Year	Production in Tons
1927	3,789,433
1926	3,765,838
1925	3,161,804
1924	2,910,517
1923	2,827,138

Consumption in 1928

Assuming then that this rule of thumb will hold good in 1928, newspaper consumption in 1928 on the continent (which absorbs about 85 per cent of total Canadian production) should be due for a rise, as it was practically at a standstill during 1927.

Supposing then that market conditions will be fairly favorable for the year 1928, what is there to be said for internal factors in the Canadian industry?

First, take the relation of mill capacity to actual output. In this respect the year 1928 does not hold a very bright promise for Canadian producers. The year 1926 was a banner year for newsprint producers in this country, for Canada had just achieved the position of the largest producer in the world, and throughout the year her mills operated almost entirely at capacity. In fact, the yearly ratio of production to capacity was 99.4 per cent.

1927 Expansion

Last year, however, came the tremendous expansion in the industry which added a daily production of something like 1,600 tons to the Canadian total. Even though the United States production decreased considerably in the year, the fact that there was virtually no increase in consumption meant that Canadian mills had to slow down their production, the actual operations of the mills being at only 85 per cent. of their capacity. For the month of December, 1927, for instance, the output was only about 81 per cent. of capacity, which indicates that the influx of new mills is having an increasing tendency to cut down the output of the various producers.

Just what will happen in 1928 is a matter for conjecture, but at any rate here are a few facts which should go far to interpret the situation.

Last year Canada's rated newsprint capacity was roughly 9,000 tons per day. This represents approximately a 21 per cent. increase over the 1926 capacity figures. For 1928 there is projected an additional rated capacity of 1,385 tons per day, which is a 15 per cent. increase over 1927. This is a large increase, and there is every reason to believe that the markets during the current year will not be able to absorb an amount of newsprint which would allow the North American mills to operate at anything like capacity. Indeed there are many newsprint men who feel that the newsprint industry will experience trying times such as existed last year for probably the next two years. All of which, of course, would be due to nothing more or less than the over-expansion of the industry.

Over-Production

Offsetting somewhat the evils of over-production, there have taken place a series of mergers of a magnitude hitherto unprecedented in Canada. Then too, the mills have co-operated in their sales to a degree which would have been deemed impossible so recently as two years ago.

Sales combinations and mergers are no substitute for markets. All such efforts can achieve is steadier prices. This in fact is what the Canadian Newsprint Company (in association with some of the companies which do not sell through this central agency) has already achieved.

The mills in Canada increased their rated capacities in the past year by 21 per cent., but the U.S. mills decreased their output by 12 per cent. Still, the net result of the year was that the markets could not absorb the increased production. Despite that, in 1928, the Canadian mills are to increase their rated capacities by 1,385 tons daily—or an increase of 15 per cent.

Betterment Forecasts

Coupled with the foregoing, it is to be remembered that business conditions in the U.S. over the past few months, and at the moment are spotty. While all economic forecasts indicate some betterment in the United States in 1928, yet any material increase in the demand for advertising space in the country is still only a remote possibility.

The figures accompanying this article show clearly the position of the Canadian newsprint industry in relation to markets and the other mills of this continent. The total present rated capacity of the Canadian mills which is shown at 8,432 is a conservative figure. The 9,000 ton figure would not be excessive.

Of course, the increased output of the lower cost Canadian mills, will tend to reduce the production of the U.S. mills, some of which will surely be switched over to other grades of paper. Yet it would take more than mere competition to close up any U.S. mill. While undoubtedly the newsprint situation is somewhat better than it was, three, six or nine months ago, yet the end of the present situation cannot be said to be in sight. And so any undue optimism regarding the immediate future of the industry is out of place. For the long pull, though, the newsprint producers of the Dominion are in the same strong position which they have always occupied.

Newsprint stocks at the moment seem high. But so do nearly all stocks. The industry has passed through a trying year. Profits have been reduced. A second thin year is ahead. The fact, though, that the companies have passed through 1927 so successfully speaks well for the future. The Canadian mills are finding more and more other markets for their production, which while insignificant as compared with the U.S., yet use a volume of paper which allows the mills to increase their scale of operations more than immaterially. One such market is Australia where more and more Canadian newsprint has been going since the trade treaty went into effect.

Daily Surplus Capacities of Mills on Continent

	1927 Rated Capacity Tons per day	1928 New Machines Tons per day
Abitibi-Spanish	1,865	120
St. Maurice-Laurentide	1,300	......
Can. International Paper	1,280	......
Bathurst	70	70
Beaver Wood Fibre	70	......
J. R. Booth	160	......
Brompton	230	......
Donnacona	230	......
E. B. Eddy	160	......
Fort Frances	165	......
Great Lakes	......	150
Kenora	222	......
Lake St. John	......	220
News Pulp	35	......
Ontario Paper	320	......
Pacific Mills	245	......
Port Alfred	400	......
Powell River	475	......
St. Lawrence	305	......
Spruce Falls	......	500
Wayagamack	160	......
Price Brothers	740	200
	8,432	1,260
		8,432
Making Total Rated Capacity for 1928		9,692

*Installations at present under way which will be in operation during 1928.

RECAPITULATION

	Tons per day
Rated daily capacity of Canadian mills	8,432
Rated daily capacities of Newfoundland and Mexican mills	750
Rated daily capacities of United States mills	5,700
Total daily capacity of North American mills, 1927	14,882
Rated capacities of mills, 1927	14,882
Production of mills (consumption), 1927	11,850
Surplus capacities of mills, 1927	3,032

The foregoing figures show that the daily surplus capacities of the mills on this continent amount to 3,000 tons for which the mills can find no profitable market. The 3,000 ton figure is equal to 20 per cent. of the 14,882 figure which represents the total capacities of the North American mills. The 20 per cent. figure checks up with the News Print Bureau figures for December which show that the mills on this continent operated in that month on the average at 81 per cent. of their rated capacities.

Projecting this situation into 1928, the Canadian mills will probably show an increased capacity of something like 1,260 tons which will also have to be absorbed to even maintain the present rate of output. Most of the markets will have to be found on this continent of course, although Canada is steadily increasing her overseas exports.

Newsprint Service Bureau Expects More Advertising

Following the annual convention of the Canadian Pulp and Paper Association, the Newsprint Service Bureau held its annual meeting. Hope for a much larger advertising lineage during the current year was held out by R. S. Kellogg, the secretary-treasurer of the bureau which supplies the pulp and paper manufacturers on this continent with up-to-the-minute statistics on pulp and paper production and consumption and all the information relative to marketing their output.

With a larger use of advertising in 1928 by U.S. manufacturers, there would be an increased consumption of paper which would materially affect the present hesitancy in the demand for this commodity which plays such a large part in the general industrial activity of Canada.

According to government reports, 85 per cent. of the newsprint made in Canada was shipped to United States publishers and six per cent. went overseas. United States exports of newsprint amounted to only 12,000 tons last year.

The report revealed that newspapers in the United States still show substantial gains in circulation, the increase in 1927 being about five per cent.

There is reasonable basis for the belief, Mr. Kellogg pointed out, that 1928 will set new advertising records for the dailies and for the newspaper business as a whole. During January, 1927, the report showed that the Automobile advertising lineage in Montreal was double that of the previous year.

Remarkable advance in Canada's production was shown in a chart presented by Mr. Kellogg. When the United States produced 1,305,000 tons of newsprint in 1913, Canada's production was 350,000. During the war the production in Canada crept up gradually, and by 1923, the contrast was not so noticeable, for at that time Canada had more than tripled its production of 1913, while the United States showed an increase of only 190,000 tons. The following year a slight decrease was recorded in the United States output, and Canada brought her quota up to 1,353,000 tons. The year 1925 saw the Dominion with a production of 1,522,000 tons, which was only 8,000 below that of the Union to the south.

The last two years, 1926 and 1927, have produced records for Canada, the production for the respective years being 1,882,000 and 2,087,000, as compared with 1,686,000 and 1,485,000 during the same periods in the United States.

To a total continental output of 3,789,000 for the year just concluded, Canada contributed 55 per cent., the United States 39 per cent., and Newfoundland 5 per cent. The Canadian production showed an increase over that of 1926 of 11 per cent., while the output of the United States was below the previous year's figure to the extent of 12 per cent. Newfoundland's production of 1926 amounting to 187,000 was increased by 16,000 tons last year. Mexico's contribution to the continental total was 14,000 tons.

NO CHANGE IS MADE IN NEW PAPER MILL

Existing Organization Inter. Paper's New Newfoundland Mill Remains

From Our Own Correspondent

MONTREAL.—It is announced that the existing organization will be maintained at the International Paper Company's new Newfoundland mill and that plans are being made for an increasing daily output of from 420 to 450 tons. Some $250,000 has been provided for this purpose; it will be used to provide additional machinery. Another new factor in the situation which seems rather favorable to the company is the fact that the Newfoundland Government has relaxed the colonial laws against cutting on crown land as a relief measure for the betterment of the unemployment situation in the colony.

Last year Cornerbrook's production was all sold in the United States with the exception of some 3,000 tons which went to New Zealand and four cargoes which were sent via the Panama Canal and marketed at Portland, Oregon.

The production of the next four months will be stored at the mills in warehouses especially constructed for the purpose. Once the plant gets into full swing, the company will probably decide to ship its winter production from time to time via Port-Aux-Basques, the western terminal of the government railway.

The new general manager of the Cornerbrook plant is Alex. Charlton, of Montreal, who will also be vice-president of the Newfoundland subsidiary company. Other officials are those associated with the parent company

Investment Securities
Newman, Sweezey & Co.
LIMITED
136 St. James Street Montreal

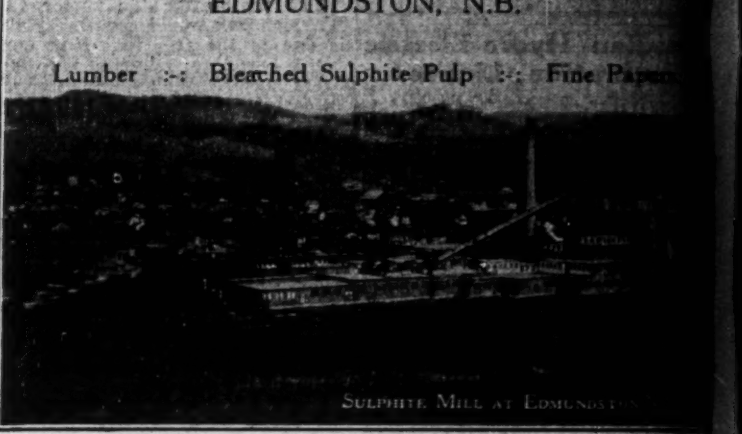
The Laurentide Company
LIMITED
Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper
GRAND'MERE - QUEBEC

HYDRAULIC TURBINE
Machinery and Accessories
—Leffel Design—
Built in Canada and backed by 60 years' experience in this field
WILLIAM HAMILTON LIMITED
Head Office: Peterborough
VANCOUVER MONTREAL WINNIPEG

PORT ALFRED PULP & PAPER CORPORATION
Newsprint and Sulphite Pulp
HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P. Q.

DOMINION TEXTILE CO., LIMITED
PRUE
MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES
MONTREAL TORONTO WINNIPEG VANCOUVER

FRASER COMPANIES LIMITED
EDMUNDSTON, N.B.
Lumber :-: Bleached Sulphite Pulp :-: Fine Papers



Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

The Wabasso Cotton Company, Limited
Three Rivers, Que.
WABASSO COTTONS enjoy the unstinted approval of discriminating women all over Canada. They find them best for undergarments, dresses, rompers, sheetings, etc., because they stand up stoutly to the most strenuous wear, yet retain their original beauty.
The Wabasso Trade Mark is a guarantee of highest quality cotton fabrics.
Wabasso Cottons are Canada's best

Abitibi Power & Paper Company
Limited
NEWSPRINT
IROQUOIS FALLS, ONT.

Gasoline Marine Engines
Equipment, Propellers
REPAIRS TO ALL MAKES OF ENGINES
Foreman Motor & Machine Co. Ltd.
Lake St., Toronto, 2, Ont.

SERVICE MADE IN CANADA BOND
It Attracts Attention
Among a jumble of letters, a colored form stands out. It attracts and receives attention. Service Bond gives wide color scope. This crisp, clean, substantial paper comes in BLUE, PINK, BUFF, GREEN, CANARY, GOLDEN ROD and WHITE. Use it and give variety to Salesmen's Reports, Requisitions and other office forms. On mailing pieces, too, you can oftentimes save the cost of an extra printing color by specifying a colored Service Bond.
The Rolland Paper Company Limited
MONTREAL
High Grade Paper Makers Since 1882.

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.
Quebec Pulp and Paper Corporation
Limited
Executive Office: CHICOUTIMI, P.Q.
Cable Address: "SAGUENAY, CHICOUTIMI"

PRICE BROTHERS & COMPANY LIMITED

NEWSPRINT PAPER AND LUMBER
Head Office
QUEBEC, P.Q.

Instalment Paper such as Automobile, Piano, Etc., Purchased
MANUFACTURERS FINANCE CORPORATION LTD.
MONTREAL
TORONTO: Federal Building

For Apartments
Many of Canada's finest apartment buildings are floored with Red Deer brand Birch. Beautiful in grain and color, low in price, economical to lay and extraordinarily durable, it is in every way ideal. For apartments we recommend Selected Red Birch. This stock is free from all defects and of uniform color. Selected Red Birch makes for distinction in apartments and residences.
Other grades and specifications for schools, homes, public buildings and factories.
For full particulars or estimates write:
The MUSKOKA WOOD MFG. CO. Ltd.
Huntsville - - Ontario
Red Deer brand birch Flooring
This trade mark appears on every bundle of Red Deer brand Birch — a guarantee that it is 99 to 100 per cent. perfect.

The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper

Production—720 tons daily.
Mills at
Sault Ste. Marie, Espanola, and Sturgeon Falls, Ont.

H. S. FERGUSON
Member Eng. Inst. Can.; Am. Soc. C.E.; Am. Soc. M.E.
Consulting Engineer
200 Fifth Avenue, New York City
Pulp and Paper Mills Power Developments

Penmans LIMITED
Manufacturers of High-Grade
KNITTED UNDERWEAR, HOSIERY, AND OUTERWEAR
PEN ANGLE
MILLS AT PARIS, Ont., BRANTFORD, Ont., LONDON, Ont., WATERFORD, Ont., ALMONTE, Ont., COATICOOK, Que., and ST. HYACINTHE, Que.
General Office: Paris, Ont.
Selling Agents to Wholesale Trade:
JOHN GORDON & SON, LIMITED,
Toronto and Montreal
SELLING AGENTS TO RETAIL TRADE
Edward Burns Co., Ltd., Toronto, Ont.
B. S. MacFarlane, Montreal, Que.
John J. Wilson, Saint John, N.B.
Bryce & Co., Ltd., Winnipeg and Vancouver.
FAR EASTERN REPRESENTATIVE
H. P. Surrey, Shanghai, China.
EXPORT REPRESENTATIVES
S. Elliott & Co., St. John's, Nfld.
H. W. Airey, Ltd., Auckland, N.Z.
L. C. Carrick, Cape Town, South Africa.
Hugh Scott Young, Melbourne, Australia.
Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, England.
W. J. Cutliffe, London, Eng.

St. Maurice Valley Corporation
Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—255,000 Tons Newsprint
Head Office:
MONTREAL-QUEBEC

BATHURST
BATHURST COMPANY
LIMITED
Groundwood—Sulphite
Kraft—Newsprint—Lumber
BATHURST, NEW BRUNSWICK

Featuring Can. Pulp and Paper Ass'n Meeting

THE FINANCIAL POST

Featuring Also Can. Forestry Ass'n Meeting

Vol. XXII. Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, FEBRUARY 3, 1928 10c. a Copy; $5.00 a Year No. 5

PULP AND PAPER PARLIAMENT PRESENTS PROBLEMS AND PROSPECTS

PRICE SEES END OF FIRES IN FORESTS

Conflagrations Can be Kept to Minimum, He Declares

ASSOCIATION'S WORK

At Annual Meeting of Canadian Forestry Association, Story is Told Fine Results Achieved in Education

The Dominion is steadily making progress in the elimination of the forest fire hazard; there are indications that new policies of forest management may postpone indefinitely the possibility of forest depletion. These views were expressed by John H. Price, the retiring president of the Canadian Forestry Association, in his remarks at the annual meeting of the association which was held in Montreal coincident with the Annual Pulp and Paper Convention. The new president of the association elected, succeeding John H. Price, is W. E. Goldring, of Saint John.

Creating "State of Mind"

In his presidential remarks at the annual meeting, Mr. Price outlined some of the chief activities of the association during the year just concluded. The remarks of Mr. Price and the work of the association have a material bearing on the operations of each pulp and paper company in the Dominion. They follow in part:

"The report of the association for 1927 demonstrated clearly that we are not only carrying our propaganda in forest protection to a very wide field, but that we are focusing our efforts first upon the most essential elements of population as regards forestry and are making an impression that more and more is interpreted into daily conduct. It has been said that forest conservation is a 'state of mind,' but this might be qualified by a further claim that the state of mind is not primarily that of timber owners, but of the masses of the public who are responsible for [illegible] per cent. of the annual record of fires. We are all agreed that the elimination of at least 50 per cent. of the yearly fires must precede the application on a broad scale of intensive forestry. But in saying this we are committing ourselves to the fundamental requirements of an educated public. This association in seeking to create an instructed and vigilant public has had a double task; first to drain off the morass of prejudice and ignorance which has been handed down for generations, and has been long since made untenable by changed economic conditions; and, secondly, to build a new foundation of common-sense and enlightened self-interest.

"My observations and inquiries convince me that the association's educational programme has been accurate in marksmanship and not wanting in hitting power. I base this claim on a very manifest change in the attitude of the public towards the forest properties, their present willingness to share the task of fire prevention in contrast with the indifference or worse of a comparatively few years back and the ease with which fire regulations are accepted and applied.

"I am not straining my natural optimism when I affirm my belief that this Dominion is well on the way to the great objective of forest fire elimination. If it can be once demonstrated that over a period of six or seven years, including crisis years of high hazard, the fire plague can be held down to minimum destructiveness there will be inaugurated measures of forest management of such far-reaching character as will postpone indefinitely the spectre of forest exhaustion. This is a task testing the best mettle of this and other agencies entrusted with the conversion of the public mentality.

"To attempt to size up the effectiveness of the association's campaigns by means of figures is to leave out the intangible and perhaps most valuable results. We are working with hundreds of thousands of Canadian youths, making the schools and homes and the cumulative power of such work in recruiting a vast army of friends of the forest is beyond computation. Similarly through the press and the public meetings, the barriers of inertia and prejudice are broken down and intelligent appreciation of the forest resources established. To one or two of our campaigns only will I refer at this time.

"More than 1,600 mass meetings were held by our campaigners in the more remote parts of Canada. This involved travelling 46,000 miles mostly by motor car, and the hauling in to these districts of an electric plant and motion picture machinery. The routing of these tours was gauged by the proximity of human population to the forest fire hazard. The skill of the lecturer, his carefully-considered local arguments and illustrations, and the clinching effect of his motion pictures carried new ideas and new convictions to a very large part of the human element responsible for forest damage.

"The school campaigns are equally worthy of mention. With 10,000 teachers acting as our allies and agents, we are maintaining contact through their most plastic period with more than 500,000 boys and

(Continued on page 16)

Industry's Function to Protect Forests

By CLIFTON D. HOWE, at the Pulp & Paper Convention

There are two ways by which the management of forests on the basis of sustained yield may be brought about. One by legislative regulation and the other by co-operative demonstration. We may eventually come to the former throughout the forests of eastern Canada but I do not regard it as the best method. Business resents dictation from legislative bodies. It should be applied only when co-operative methods fail. Then if it is necessary to apply it, business has only itself to blame. We do not need any more legislation in the management of our forest wealth—in some cases we have too much now—but we do need very much more co-operation between the forestry staff and the directorate of the pulp and paper business.

Largest Industry Has Association to Inspire Pride

Canadian Pulp and Paper Association Has Fine Record

ORGANIZED IN 1913

Fifteen Different Sections Represent Every Branch of Canada's Largest Single Industry

The Canadian Pulp and Paper Association is one of the most important groups of business men in the Dominion as the industry pays out annually more in wages, has a greater invested capital and employs more people than any other single industry. One of the striking points about the association is the fact how well those in the industry as a whole pull together. There are many trade associations, but none appears to have the life, nerve and enthusiasm which inspires the executives of the Canadian Pulp and Paper Association. The member companies stand back of, and strongly support the executive, with the result that when the association speaks, it speaks as one having authority.

Rise of Associations

In the middle ages, under the name of guilds, trade associations were a predominant element in economics of that period. They came to exercise a great influence upon political and social life in Europe. With the industrial revolution, came an intense individualism which broke up the guilds which were unable to adapt themselves to the rapid changes in methods and in production. It is this individualism which still tends to retard the successful operation of many business and trade associations.

But of late years, business has begun to see that real individuals, like liberty, can only result in chaos. The result has been the formation of large trade organizations.

Thus, the greatest and most rapidly expanding of modern large scale manufacturing industries has provided itself with a trade organization in the form of the Canadian Pulp and Paper Association which to-day, in one important class of paper, is the largest producer in the world.

Founded in 1913

The Canadian Pulp and Paper Association is the trade organization of the manufacturers of all kinds of paper and of the pulps from which paper is made, together with many other articles based upon the pulping of various kinds of fibre. It was formed in 1913. Within the association there have developed some fifteen sections representative of different branches of the industry, and functioning separately so far as the interests of those branches are concerned.

The aims of the association are to promote the business of manufacturing pulp and paper in Canada; to improve the quality of the industry's products; to keep its members advised on new developments, especially those affecting market conditions; to collect and distribute statistics of the industry, having relation to production, shipments, stocks in reserve, imports and exports; to assist in meeting transportation problems; to deal with questions arising out of the customs and excise laws; to watch legislation both in the Dominion Parliament and in the provincial legislatures with a view to opposing enactments detrimental to the industry; and to advance the interests of the industry by proper advertising and publicity.

Sole Official Organization

The Canadian Pulp & Paper Association is not merely the sole official organization representative of the common interests of the pulp and paper manufacturers. This would not in itself suffice to give it a claim on the support and loyalty of all such manufacturers, if it were not also a live and energetic body, functioning efficiently in all the various spheres in which collective action by the entire industry or any of its branches may be called for.

But the association, thanks to the continuous, hearty and active co-operation of its members, and to the devoted services of a long series of past presidents and of the executive council, has from its very foundation been a powerful force for the advancement of the industry, and has certainly had much to do with its extraordinary expansion in the last thirteen years.

The association's activities are manifold. It issues weekly and monthly reports on production, shipments, etc., covering all the varieties which its members are engaged in producing. It maintains by cable an interchange of information with the Scandinavian Cellulose Association, whose headquarters are in Stockholm, and with the pulp and paper producers of Great Britain, Sweden, Norway, Finland and Germany. Periodical reports covering these countries are regularly received and distributed.

Maintains Research Section

The association endeavors to promote efficiency in the technique of the industry, and maintains for that purpose a Research Section, comprised of an equal number of scientists and of company executives; a Technical Section, composed of the principal technical men in the mills, and a Woodlands Section made up of the leading woods experts of the industry. The latter section employs a forestry and logging expert, who gives his entire time and services to solving the problems arising in these branches of the industry. The association has contributed $25,000 towards the expense of a series of vocational textbooks intended to promote efficient workmanship in the mills. It is helping to maintain and carry on a correspondence course for mill operatives, based on these textbooks, in which some 650 students have enrolled.

The association also contributes $7,500 a year towards the maintenance of a Chair of Industrial and Cellulose Chemistry, occupied by Dr. Harold Hibbert, D.Sc., Ph.D., at McGill University. It contributes $25,000 a year towards the support of the Pulp and Paper Division of the Forest Products Laboratories, maintained by the Dominion Government, and participates in the management and the work carried on therein.

In 1926-27 the association raised $350,000 with which to provide suitable accommodation for the Pulp and Paper Division and the Chair of Industrial and Cellulose Chemistry and for permanent headquarters for the association itself. This building, located in Montreal, fronting on University Street and adjoining McGill Campus, comprises, in addition to an up-to-date cellulose research laboratory, a fully-equipped experimental pulp and paper mill, as well as commodious accommodation for the association's permanent staff.

The association is on a sound financial footing. Its income is derived from the annual dues of members, these being based on the actual tonnage production of the members. The annual meeting of the association is held in Montreal in the last week in January. Between meetings the affairs of the association are governed by an executive council comprising representatives of all branches of the industry.

Several Sections Specialize

Matters affecting only particular branches of the industry are dealt with by the appropriate section. The association includes the following sections, each of which has its own chairman, holds periodical meetings,

(Continued on page 17)

New President for Paper Men

COL. C. H. L. JONES

Col. Charles Hugh Le Pailleur Jones, newly-elected president of the Canadian Pulp & Paper Association, is vice-president of Spanish River Pulp & Paper, Lake Superior Paper Co., and Fort William Paper Co.

After being graduated from McGill University, Col. Jones was for six years with the Canadian Pacific Railway, and then for ten years he was with the Lake Superior Corp., the last three as assistant general manager. He has occupied his present position since 1911. He will be 52 years old next May 1st.

Col. Jones, whose home is at Sault Ste. Marie, has taken an active part in the social and civic life of that community. He was president of the Soo board of trade in 1911 and 1912.

The military title was earned in France. He was officer commanding the Soo regiment, and he served in Canada, England and France. He raised the 227th regiment, C.E.F., and went to England in command. He commanded the central group, C.F.C., in France, was mentioned in dispatches and was awarded the O.B.E.

Col. Jones was married in 1903, and there are four sons and a daughter. Col Jones is a Conservative in politics and is an Anglican. Among his clubs are the St. James, Montreal, and the National, Toronto.

L. R. Wilson, Col. Jones' predecessor, as president of the Canadian Pulp and Paper Association, was the first person to hold that office for two years in succession. Mr. Wilson remained in order to complete the organization of the pulp and paper institute which has been established in connection with McGill University in order to promote research of benefit to the industry.

Outlook for Pulp and Paper Seems Better Than Year Ago But Low Prices are Likely

Each Branch of Industry Fully Reviewed at Annual Meeting of Association — General Situation in 1927 Was Satisfactory

NEWSPRINT INDUSTRY EXPANSION CONTINUES

More Prosperous Conditions Looked for This Year — Industry Has Met and Surmounted Already Many Difficulties Encountered by Over-Expansion Leaders Are Not Pessimistic

While the demand for sulphite, groundwood pulp and newsprint paper is materially below the capacities of the mills on this continent, yet the annual reports of the various sections of the industry presented at the annual meeting of the Canadian Pulp and Paper Association in Montreal cannot be said to be pessimistic regarding the future. There appears to be a feeling that 1928 will witness more prosperous times than the year just concluded.

Many of the reports of the different sections of the industry indicate, though, that the continuance of low prices for many grades of pulp and paper may be anticipated.

The year just concluded has not been prosperous for the industry as a whole. This is probably the chief factor which in 1927 brought about so many consolidations and the closer co-operation between the companies and the different groups of companies.

Individual reports dealing with each of the sections of the pulp and paper field are included in the general report of the association; they are of interest to shareholders or others interested in individual companies, for they review satisfactorily the situation at present surrounding the companies engaged in manufacturing all types of pulp, or paper.

Newsprint Demand May Increase

The chairman of the newsprint section, Percy B. Wilson, in reviewing the position from this standpoint, said:

The newsprint section of the association, as such, found the year 1927 somewhat passive and uneventful. While the newsprint industry itself has been going through a process of readjustment, made necessary by the period of extraordinary expansion through which it is passing, the section was not required to deal directly with the problem, nor were its functions called into action by any other unusual demand. Consequently, meetings have not been numerous and there are few activities to report. The principal function of the section, that of collecting and disseminating trade information, has been efficiently performed.

The section has also functioned in connection with two or three actions at law involving some of the larger companies. Two of these had to do with disputes arising out of the use of patented appliances. Both were terminated to the satisfaction of our members. The third action was an outgrowth of government control of newsprint and the judgment rendered constitutes a further indictment of the injustice imposed upon our industry during the war period and corresponds, in that respect, with judgments previously rendered.

To Improve Quality

Conferences were held during the year with representatives of the American Newspaper Publishers' Association with a view to improving the quality of our newsprint and of more nearly meeting the publishers' ideals. These give promise of good results. Other matters affecting the internal economy of this industry received due attention.

Taking the industry as a whole, the newsprint manufacturers find themselves after a period of comparative freedom, once more subject to the inevitable law of supply and demand, with supply, at the moment, exceeding demand. Considering the extraordinary developments of the past two or three years—developments which have not yet run their entire course—this is not to be wondered at. In 1926 thirteen new newsprint machines in Canada and one in Newfoundland were brought into operation, the full effect of which was only felt in 1927. In the latter year thirteen additional machines, representing 1,400 tons daily capacity, were brought into operation up to the end of August. Two others, increasing the daily tonnage capacity by 220 tons, began operating in December. The year saw six new mills —Canadian International at East Templeton, Que.; Manitoba Pulp & Paper Company at Pine Falls, Manitoba; Ste. Anne Pulp & Paper Company, Ste. Anne, Que.; Thunder Bay Paper Company, Port Arthur, Ont.; Anglo-Canadian Pulp & Paper Company, Limoilou, Que.; and Brompton Pulp & Paper Company, Bromptonville, Que., established, and construction work on five others started. Fourteen new machines, with a daily capacity of some 1,600 tons, are scheduled for 1928. This will bring our total maximum capacity to approximately 3,000,000 tons a year. While the average production of Canadian newsprint was only 85 per cent. of normal, the output was increased by 11 per cent. over that of 1926, but American production fell off by 12 per cent. owing to the discontinuance of a number of newsprint machines. Newfoundland companies increased their output by 9 per cent.

Fortunately, the unwonted increase in mill capacity did not result in demoralizing the market nor is there any present indication of such an undesirable development in the near future. The keener competition engendered has necessitated closer attention to manufacturing costs and increased efficiency. Further efforts in the same direction must be forthcoming if the equilibrium of the industry is to be maintained.

Some improvement took place in Canada's overseas trade during 1927, which absorbed 133,455 tons during the year, compared with 104,128 tons in 1926. Australia increased her consumption of Canadian newsprint from 30,660 to 46,494 tons, and Great Britain from 15,122 to 41,601 tons. On the other hand, European exports of newsprint to this continent increased by 19 per cent. over 1926 and aggregated 109,810 tons.

While the ultimate future of the Canadian newsprint industry is bright, the immediate prospects are not so reassuring. There is reason to believe, however, that consumption of newsprint in the United States, which remained practically stationary during 1927, will resume its normal increase in 1928, and that this, together with the further conversion of some of the older American plants, now in contemplation, and a gradual increase in the demand for paper in Great Britain and elsewhere will, to some extent, offset the disadvatages now confronting us and to tide us over our immediate difficulties.

One of the important events of the year was the formation of the Canadian Newsprint Company Limited, a company formed for the purpose of selling the output of several of the larger Canadian mills. Undoubtedly, the operations of this company have steadied the market for newsprint to the ultimate advantage of the users as well as the manufacturers of newsprint.

PERCY B. WILSON, Chairman.

Expect Consumption of News to Gain

By PERCY B. WILSON, at the Pulp & Paper Convention

While the ultimate future of the Canadian newsprint industry is bright, the immediate prospects are not so reasuring. There is reason to believe, however, that consumption of newsprint in the United States, which remained practically stationary during 1927, will resume its normal increase in 1928, and that this, together with the further conversion of some of the older American plants, now in contemplation, and a gradual increase in the demand for paper in Great Britain and elsewhere will, to some extent, offset the disadvantages now confronting us and to tide us over our immediate difficulties.

Book and Writing Men Discuss Tariff

The Book and Writing Section reports a year of satisfactory business in our branch of the industry and slow but steady progress.

Our mills increased their output of fine papers from 57,752 tons in 1926

(Continued on page 16)

Convention Assists in Solving Problems of Industry and Nation

So important in the industrial fabric of Canada is the pulp and paper industry that The Financial Post this week devotes a special section to consideration of the annual convention of the association of members of the craft.

As a fundamental industry contributing to the purchasing power of the nation, as a basic activity into which vast sums of domestic and foreign capital have been poured, as a development which assists in opening regions heretofore known only to the hunter and trapper, as a means of bringing into use remote and otherwise temporarily valueless power resources, and as a business which is an advertisement to Canada, the pulp and paper industry ranks among the two or three most important of this era in this country.

The papers and addresses which were delivered at the convention deserve the attention of investors and the public generally because the attention of those who control the industry is one of enlightened unselfishness which sees the problems of the industry as a national problem. In attempts to synchronize production with demand and in dealing with the question of replacing the wood that is annually cut, the speakers without exception voiced plans and hopes which alike are in the interest of the nation and of the investment public. And it is fair to assume that those practical men of finance, of science and of management will solve their problems.

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Establish New Wealth by Forest Preservation to Attract Immigrants

Woodlands Are Wrecked and Destructive Forces Have Been in Control Too Long — Introduction of Constructive Plans on Economic Basis Are Necessary

By C. D. HOWE, Dean of Faculty of Forestry, University of Toronto
Address before the Woodlands Section, Pulp and Paper Association, Montreal

I think that anyone following the newspaper editorials, those of trade journals, and the reports of speeches of public men during the past year, must have been impressed by the insistent cry for more people—more immigrants to the country. The usual argument — always inferred and sometimes very frankly stated—is that we need more people to help us to bear our tax burdens, on the assumption that the more widely the tax burden is distributed the more lightly it will rest on individual shoulders.

If I were living in a foreign country and were thinking of emigrating, that kind of an invitation would not appeal to me. That it does not appeal to emigrants is demonstrated by the fact that they do not come in any considerable numbers and that we have to offer special inducements amounting to a bonus to those who do come. Statistics seem to show that very many of those who accept inducements of one kind or another to come to our shores, eventually drift to the United States. Think of it! A great country like ours abounding in almost incredible potential wealth, hiring people to come to it! And at that, often acting as an immigration agent for a neighbor! It would be to laugh were it not so pathetic.

Migration of Young Men

Another topic very prominently discussed is the migration of our young men to the United States. It is stated that nearly five thousand graduates of Canadian universities, and thousands of other young men who have received high school or technical school training have been compelled to go to the United States for a livelihood. I know from talking with them that they don't want to go; they go reluctantly; they go because the doors of opportunity are closed to them in their own country.

Something is radically wrong. What is it? If you will allow a mere university professor to venture an opinion upon such a complicated and critical problem, he will say that we are attacking the problem at the wrong end. The fundamental thing is to create new wealth on a progressively self-sustaining basis. That will mean progressively more and more work for hands and brains. If we have plenty of work, prizes and positions to be won in our industrial life, we will not need to worry about immigration. It will take care of itself. People will come by the hundreds of thousands. Instead of being hired to come they will pay for the privilege. Our young men will find plenty of opportunity to develop their talents at home.

How can we create new wealth on a progressively self-sustaining basis? Economists are in agreement, I think, with the statement that much the greater portion of potential wealth lies in the surface layers of the soil and far beneath them, and in ponded or flowing water, or in other words, in the natural resources of a country. The actual creation of new wealth lies in the spirit of the people who own and control the natural resources. There are two ways of creating new wealth. One of them is by applying knowledge already existing and the other is by discovering new knowledge about old things and applying it, or in other words, through research. We, as a people, although we have improved very much in this respect in the past few years, are deficient in both. We are too timid, perhaps too self-complacent, certainly not too ignorant, to apply knowledge which already exists to the creation of new wealth.

I could in time present many illustrations of this fact from the fields of agriculture, mining, fisheries, fur and game, but I shall confine myself to the field I know best, namely, the forests and I shall at first take up some of the things that we know about the conditions, the growth and yield of forests, and do not apply.

Woodland Yields

We all know, for example, that our natural woodlands as a whole are characterized by low yields of commercial materials. You will at once think of some river valley that cut out 10, 20 or perhaps 30 cords to the acre, and your first reaction may be to controvert the statement, but I am asking you to consider all the area you have cut over in the past 10, 20 or 30 years. How much pulpwood has it yielded per acre on the average? How much spruce and balsam have you cut from the average acre? I have given this point a good deal of study in the preparation of this paper and I have come to the conclusion that on the average the actually cut over areas have not yielded more than 6 cords per acre of spruce and balsam for pulpwood. If we take the entire acreage of the pulpwood concessions including the waste and non-productive areas, the yield has been less than two cords per acre.

That is the amount of raw material on the average acre behind the greatest manufacturing industry in this country. Now while even these low yields are easily accessible to the mills, their influence may not be seriously felt in an economic way, but you know better than I the constant struggle, and all the subterfuges entered into, to keep down the cost of wood at the mill. I am sure you have not failed to notice in the official statistics that the average cost of wood at the mill is considerably greater in Quebec than in Ontario. While there are undoubtedly other explanations for this difference in cost, may not the chief one be that Ontario was later in getting into the game on a large scale than Quebec, and consequently her supplies of wood are much nearer the mill? It certainly cannot be due to a larger yield of spruce in Ontario. Now project the trend of this thought into the future. What do you see in reference to the competition between mills, between provinces and in the pulp and paper products of the country as a whole in competition with the products of other countries, say certain European countries that maintain their pulpwood forests in a high state of productivity?

Not only is the yield of pulpwood in the natural forest low but the growth is distressingly slow. It took nature at least 100 years to produce the six cords of pulpwood on the average acre. The economic point here is that man could increase this yield many-fold; he could eventually produce five or six times as much wood in half the time. Nature has no economic sense; she has to be directed into economic channels by the intelligence of man. Her only object is to cover the ground with trees; she does not know or care whether they are economically distributed or indeed whether they have any economic value at all.

Largest Yield Possible

The object of forest crop production when directed by man is to obtain the largest yield possible of the desired marketable material and to sustain it. This cheapens the cost of production and so increases the revenues. Agricultural crop production has developed along similar lines. He would be called a poor farmer who got only 6 bushels of wheat where with intelligence and tendance he might get 30 bushels per acre. What then can we say of the owner of a forest who gets 6 cords of pulpwood where he might get 30 cords per acre?

Well suppose there are only 6 cords of pulpwood on the areas being cut over, the pulp and paper companies are evidently making money utilizing that relatively low yield crop; if we have sufficient area of that kind of mature virgin timber ripe for the axe to last at the present rate of cutting for a period equal to that required for nature to produce another crop of spruce and balsam, what is there to worry about, some of you may ask. To reply to that question we would need data on three main points, namely the amount of standing pulpwood at present in eastern Canada, the rate of its natural replacement by regeneration and growth, and the factors both natural and man-made that influence these processes. Based upon the data presented in the Report of the Royal Commission on Pulpwood of 1923, the available spruce and balsam in eastern Canada amounted to 270 million cords—at the present rate of cutting, namely 6 million cords per year this would last 45 years. I say at the present rate of cutting.

It is interesting to note that if we consult the statistics for the past 20 years, we find that the amount of pulpwood cut has increased a million cords at each five year period until the last. Since 1921, it has increased approximately two million cords. When we look upon the new mills and new machines projected for the next few years, we cannot be criticized for thinking that the rate of depletion by cutting will continue to increase at an accelerated rate for some time to come. I am aware that governments proclaim that no new concessions will be granted, or at least that formation of new companies will not be encouraged, yet new companies are formed and old companies are granted new concessions so far from home that new mills will be built, which means the same thing so far as the increased rate of depletion of pulpwood supplies is concerned. The pressure of the operator for more wood and the pressure upon the governments for more revenue will be too strong to resist. In case there are no serious economic disturbances, all the indications point to the race for wood continuing at an increasing rate to shorten the estimated length of life of the mature pulpwood supplies.

Duration of Supplies

In considering the probable duration of the virgin supplies, we must take into account sources of depletion other than cutting, such as fire, insects, windthrow, and fungous diseases. We cannot predict what any of them will do in the future; we can only judge by the past and by the effectiveness of preventive measures of the future. Judged by the past, we are safe in saying that these agents have caused much greater depletion than all the cutting operations combined. We have good reasons for believing that the forest fire inroads will be checked materially in the future but we have no grounds for such belief in case of other destructive agents, for, except experimentally, no control measures have been applied.

We have just got over gasping in horror at the destruction wrought by the spruce budworm in our pulpwood supplies in eastern Canada in recent years. A study of his life history indicates that he becomes epidemic in cycles of about thirty years. We have the authority of Dr. Swaine, in charge of forest insect investigations at Ottawa, for the prediction that the spruce budworm will be still more destructive the next time he becomes epidemic, because as a result of present cutting methods in the forest, balsam will form a much larger percentage of the stand in the future and balsam leaves are a much more delectable morsel in his mouth than are spruce leaves.

The next thing to consider in determining the apparent duration of the virgin pulpwood supplies is the rate of replacement and growth in the natural forest after cutting. Here again we have not sufficient data upon which to base a statement of scientific accuracy, but our knowledge of conditions is such that we are safe in certain general conclusions. One of these is that the virgin stands are deficient in the smaller diameter classes, that is in trees from one to four inches in diameter. There are not enough small trees, so that, even if they all lived (as they do not) and grew rapidly after cutting (as they do not), they would make a sufficient quantity of merchantable material within a reasonable length of time to pay the operator to come back after them. It is evident that the future crop must depend on the seedlings, trees less than one inch in diameter, and we know that they are practically all balsam, not spruce. In some cases, however, there may be an abundance of spruce seedlings up to five or ten years old, but they give us false hope as a rule for most of them die. It is evident that the conditions are not favorable on cut-over areas for the regeneration of a spruce forest.

Extensive Old Burns

There are extensive old burns carrying adequate spruce and balsam regeneration, especially in the headwaters of the streams flowing either into the St. Lawrence or the Hudson's Bay. These will contribute very largely to our future supplies of spruce—if they are not burned. We are beginning to realize that our virgin stands of pulpwood originated from fires of long ago and that mixed with poplar and birch in their early stages, they grew very slowly until they overtopped them and killed them out. We know as stated above, that our present virgin stands have not produced on the average more than 6 cords of pulpwood to the acre in the past 100 years. There are no indications that the oncoming supplies on the old burns, uncared for and undirected by the intelligence of man, will produce any larger crop in the same length of time. Therefore while of great potential value, we have little to hope for from such areas in making a material contribution within a short time toward delaying the approaching exhaustion of our spruce and balsam pulpwood supplies. Therefore there is bound to be a distressing hiatus between the exhaustion of the virgin supplies and the coming into merchantability of the potential supplies on the old burns and on the unburned cut-over areas.

There are so many unknown quantities, biologic and economic, that come into the consideration, that one is on dangerous ground in predicting the exact date when the virgin pulpwood supplies will be commercially exhausted. Judged by our own past history in the treatment of our forests and by that of other countries at one time similarly situated and judged by the knowledge of present conditions, one can have little doubt of the final outcome, unless vigorous recuperative measures are put in practice. Whether the apparent exhaustion comes 20 years or 40 years from now the ultimate result will be much the same upon the industrial life of the country. It will be an economic disaster of the first magnitude.

Foresters have been preaching for a long time that the supply of raw materials was rapidly approaching commercial exhaustion, but the public has, as a whole, been heedless of their warnings, apparently looking upon the poor foresters as misguided theorists, but they have now received support from an economist in one of our great universities. He has weighed the evidence and this is what he says in The Financial Post of Dec. 23, 1927, speaking of conditions in Quebec. "In all of the chain of argument, intended to convince the average resident of the Province of Quebec that he has a personal interest in the adoption and carrying out of a complete and adequate forest policy by the province, no point is more vital and none more difficult to establish in the average citizen's mind than the fact that without such a policy the depletion of the forest resources to a point that would seriously embarrass and restrict the forest industries, is a certainty of the very near future."

Barely Adequate Resources

Another man, or perhaps the same man, writing under a pseudonym to the Montreal Gazette of Jan. 11, 1928, says: "Giving due consideration to the definitely limited extent of the available and accessible stand of spruce and balsam in the province, the constant and steadily increased consumption, the drain due to exportation in the raw state, the always present danger of fires which may cause irreparable loss and the necessity of providing for legitimate colonization, it is apparent that the resources of pulpwood now possessed by Quebec are barely equal to the demands of the forest products industries at their present stage of development, and that neglect to put into force a foresighted and comprehensive policy of conservation means gambling dangerously with the future."

I am sure if these men studied the situation in Ontario as thoroughly as they have in Quebec, they would come to similar conclusions. Quebec and Ontario are the largest pulpwood producing provinces in the Dominion, together contributing over 80 per cent. of all the pulpwood cut.

So much for the virgin supplies of spruce and balsam for pulpwood. In the sense of supplying the capacity of our present day mills, the accessible virgin stands will be exhausted in a comparatively few years. But there is no crime, or rather economic wrong in this; no more than there is in cutting a crop of wheat when it is mature. So long as it can be done with a reasonable profit to the operator and investor, mature forests should be cut. In fact the economic wrong may be in leaving merchantable mature forests uncut; they are making no additional growth and the quality of the wood is usually deteriorating through disease.

Action of Tort

It is, however, a very grievous economic wrong, constituting what lawyers call an action of tort, upon the combined prosperity of the country to cut the virgin forests in such a way that there is no adequate succeeding crop of the commercially valuable species. My encyclopaedia tells me that an action of tort when applied to the state may be a crime. Even at this the guilt does not lie with the operator. He does not own the land; he buys only the right to cut the timber. The people own the land and they are the guilty parties in allowing practices that are constantly reducing the productive capacity of their land in terms of spruce and balsam pulpwood.

In saying that the people are to blame for the present situation in regard to the future supplies of spruce and balsam pulpwood, I of course include ourselves. I have the uncomfortable feeling that we as a profession have not done all that we should have done. I know that we have received some pretty hard knocks and often get discouraged in thinking over the forces, economic, political and personal, with which we have to contend; some of us in the thought that our employers gladly accept our services in the production of cheap logs to-day, but will not accept them for the production of an adequate supply of cheap logs for to-morrow. We must not forget, however, that we always have at our disposal the encouragement of the conviction that we are working for the continued prosperity of our beloved Dominion and the sustaining faith that in the end through the absolute necessity of the situation, both operators and governments will adopt a policy of continuous production in the management of the Crown forests.

I trust you will accept it in the spirit in which it is given when I say that I believe a very great responsibility rests upon the shoulders of the foresters and woods managers in the employment of the pulp and paper companies for they more than anyone else have the opport... demonstrating that continu... duction can be accomplish... impairment of dividends bu...

(Continued on page 17)

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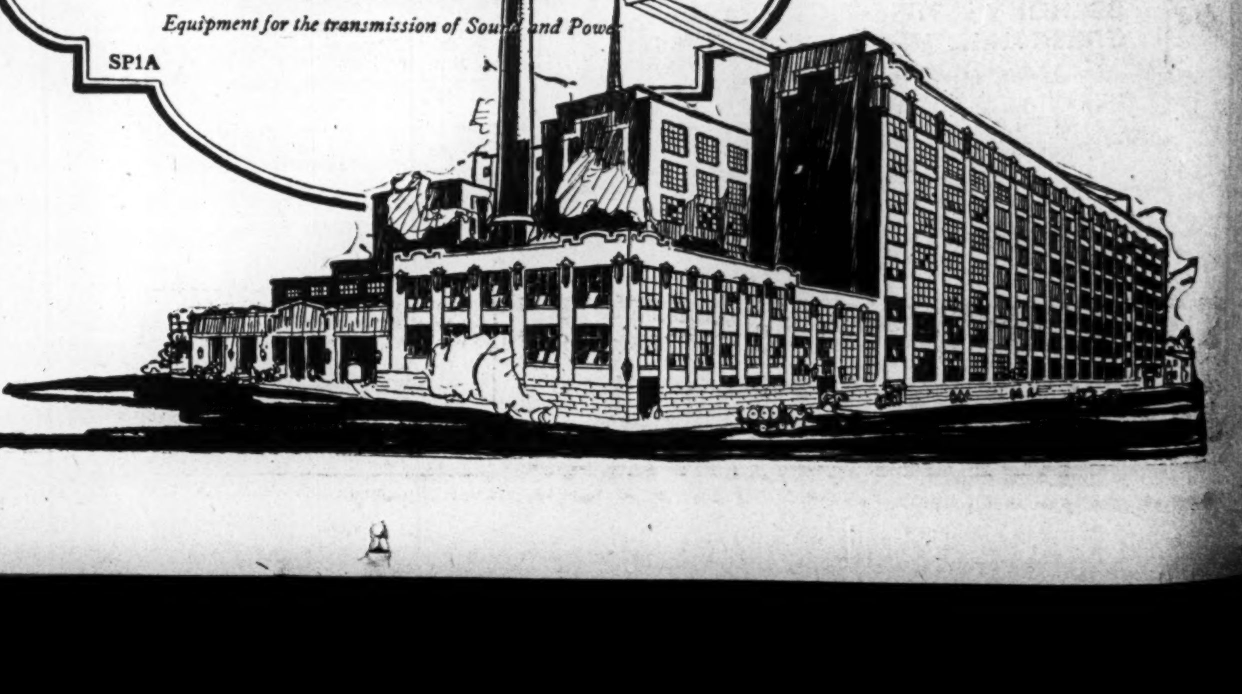

President Wilson Not too Optimistic in Annual Review

Newsprint and Timber Reserve Situation Stressed by L. R. Wilson

POSITION REVIEWED

Is of Opinion Australian Trade Agreement Has Proved Beneficial to Canada Generally

By L. R. WILSON,

President of the Canadian Pulp and Paper Association. Address to the fifteenth annual meeting.

At our last annual meeting, as doubtless most of you will recall, I suggested that if everything went as we anticipated this year's meeting might be held in our own building up at McGill University. Through nobody's fault the anticipation has not been realized and we have come together once more in quarters with which we have long been familiar and where, at any rate, we always feel entirely at home. While the new building is not available for this meeting, work upon its construction has not lagged unnecessarily. The structure, as those of you who have taken the trouble to pay it a visit are aware, is well along the road to completion and possession is now merely a matter of a few weeks, so that while we have fallen short somewhat in what we had hoped to accomplish the fruition of our work is close at hand and we shall very shortly be in possession of a permanent home in which every member will be able to take laudable pride.

Leaving the subject of the building for later consideration, let me, in opening this, the fifteenth annual meeting of our association, refer briefly to the business conditions which have prevailed in Canada throughout the year just concluded and to the manner in which our own industry has been or may be affected by them. All authorities will, I think, agree that the year 1927 was an exceptionally good one for the Dominion. Business of every kind enjoyed a fair measure of prosperity. Agriculture, the basis of our wealth, was blessed with abundant crops, Government estimates of their value indicating a return thirty-eight million dollars in excess of that of 1926 notwithstanding that prices ruled somewhat lower in 1927 than in the preceding year. The trade of Canada for the calendar year 1927 according to the best authorities exceeded two billion three hundred and thirty-eight millions and constituted a new record. The public debt has been decreased. The railways report a better year. The bank statements all reflect improved conditions. Notable expansion was made in hydro-electric development, mining and other industries. Building operations exceeded those of any year in over a decade. There was a notable absence of industrial disputes.

Excess Production

Our own industry, while sharing to some extent in the general betterment, is nevertheless confronted by conditions peculiar to itself. The program of expansion entered upon by the newsprint branch which, after all, constitutes the backbone of our industry, proceeded without interruption. Six new establishments, representing a daily output capacity of 1,620 tons, came into complete operation during the year, although the trade had hardly assimilated the new tonnage coming on the market as a result of the previous year's expansion. Consequently there ensued a considerable excess productive capacity. This was met in the main by a more or less uniform reduction in actual output by the mills and in that way a general demoralization of the industry was averted. The result was that the average production by the Canadian mills amounted to some 85 per cent. of their maximum capacity, although the total tonnage produced and shipped exceeded by 11 per cent. the total of the preceding year and again established a record. The position of the Canadian mills was affected favorably to some extent by a decrease in the American output which fell off by 12 per cent. as compared with 1926. The situation naturally called for a keener supervision of all the factors entering into economic production as well as some reorganization of marketing methods and facilities, and these were not without beneficial effect. What the future holds in store remains to be seen. Much of the increased mill capacity accredited to 1927 did not become operative until late in the year and will likely influence the situation to a greater extent in 1928 than in the year just closed. Fourteen new machines with a rated capacity of some 1,600 tons daily are due to come in this year which will bring Canada's total possible output to over 3,000,000 tons, which represents approximately 33 per cent. of the world's assumed consumption of newsprint. The exercise of good judgment and the employment of sound business practices by those in command of the industry's destiny will be required in the future as in the past.

Trade conditions are not alone in indicating a need for caution. The contraction of our wood supply while not as yet seriously felt, is something that must be reckoned with at no far distant date. In this connection the words of the Hon. Chas. Stewart, Minister of the Interior, whom we had the pleasure of listening to at our last annual dinner, given in his annual review of our industry issued early in the year, are worth referring to. He said:

"Until we are more certain that our pulpwood supplies will sustain the industry on a permanent basis there is no justification for continuation of the rather hectic expansion witnessed in the past few years. Rather, the time is more opportune for concentration of effort upon refinement of methods and the more complete manufacture by Canadian mills of pulpwood extracted from Canadian forests."

In the other branches of the paper industry, as will be seen by a reference to the section reports, business has been well up to former years and in some instances a little better. The fine paper mills report a fairly good year. Some of the mills are increasing their capacity in order to keep up with increasing demands for their products. The coarse paper trade has also enjoyed a more or less satisfactory year. The manufacturers of paper boards have suffered to some extent by ruthless competition on the part of American mills whose domestic business has for some time past not been of the best, but in other respects report a satisfactory year. Other branches reporting to this association indicate a fairly good year.

Foreign Competition

The chemical pulp market has experienced severe foreign competition during the year and while production has been fairly well maintained it has been at the expense of profits compared with the former year. Conditions are improving and the trade can now look forward to a period of reasonable prosperity.

Groundwood pulp has at no time during the year enjoyed a fair market demand and groundwood manufacturers have had a difficult time. Efforts on the part of the association to interest them in a united attempt to improve conditions failed to receive the necessary co-operation to ensure success. There is hope, however, that the near future may bring about some improvement. Recent action taken by the Scandinavian mills looking to a general reduction of output until the market improves is one of the favorable indications.

The business of the association was carried on throughout the year in the customary manner. The executive council held four meetings. Business arising out of the new building project occupied a great deal of time and attention. The building itself was dedicated with special ceremonies on October 13. Present on the occasion and participating in the ceremony of laying the cornerstone were the Hon. James A. Robb, Mnister of Finance, Sir Arthur Currie, Principal of McGill University, Dr. H. M. Tory, chairman of the Advisory Board on Scientific Research, the Very Rev. Dr. Carlisle, Dean of Montreal, and numerous other dignitaries and representatives of our industry.

The several trade sections of the association functioned as usual. Their reports are now in the members' hands so that it is unnecessary to review their activities in detail.

Members will perhaps recall that the arrangement made in 1925 between the association and the government for joint control and operation of the pulp and paper division of the Forest Products Laboratories provided for a two-year trial period at the end of which, if it appeared to be desirable to both parties, the arrangement might be extended for a further period of three years. The trial period having expired March 31, 1927, and the arrangement having been found satisfactory to all parties, the executive council agreed to its renewal for three years, which will terminate on March 31, 1930. The amount to be provided by the association is to be not less than $20,000 a year for each of the three years.

Advisory Committee

The work of the division has been carried on under the supervision of an advisory committee appointed by the research section and under the immediate direction of E. P. Cameron. The division has been handicapped throughout the year by lack of suitable working quarters and, in fact, cannot be expected to get into its stride until the new building is properly equipped and ready to occupy. The experience of the research section has convinced its members that some reorganization both of the section itself and of its operative methods may be desirable and proposals to that end are now under consideration. It has also been suggested that a closer connection between the research and technical sections, whose ultimate aims and objects are closely co-related, might be established to the advantage of all concerned. A resolution dealing with the subject will be laid before this meeting.

The woodlands section in June last put into effect the plan, approved at the last meeting, to employ a forestry and logging expert to devote his entire time to the problems of the members. A. M. Koroleff, a thoroughly trained woodsman of wide experience, was entrusted with the work. In the six months that have elapsed since he took up his duties he has demonstrated his usefulness to the section. The section, as its report indicates, is well satisfied with the experiment and is asking for a sufficient appropriation with which to carry on for another year.

Another innovation of the year was the action of the book and writing section in engaging the services of a specialist to promote the use of produced-in-Canada paper. While this development is yet in a.. experimental stage it has already given promise of bearing good results. Despite the fact that Canada is one of the world's largest producers of paper—and while it does, in fact, lead all the countries in the production of newsprint—we still import a very considerable volume of paper, the value of which runs to about $10,000,000 annually. It is believed that by well-directed effort the volume of these imports may, perhaps, be reduced with benefit to our industry as well as to the country at large. We are still endeavoring to impress upon the Government the desirability of employing an expert paper appraiser in the customs service, as we have reason to believe that, owing to the lack of such official, much paper is imported into this country without paying its proper dues to the public revenues. Complaints of this character have been brought to the attention of the department through our special customs representative at Ottawa.

Tariff matters have, as usual, engaged the attention of the executive to some extent. The manufacturers of book paper have been forced to appear before the advisory board on tariff and taxation to oppose an application made by certain publishers for the practical removal of the duty on book paper entering into the printing of certain classes of periodicals. Hearings are still in progress.

Australian Agreement

The Australian Trade Agreement, which has been of considerable benefit to our industry since its inception, has been under attack by interests which allege that it is detrimental to them, and the government has been asked to abrogate it. We believe, however, that an impartial and unbiased enquiry will reveal that the agreement is working out to the great advantage of Canada generally, as well as to Australia, and that it is not imposing undue hardship upon anyone. It would seem, apart from all other considerations, that in all fairness the agreement should be given sufficient time to demonstrate its full effect and not be subject to constant criticism and condemnation based upon altogether too brief experience. Canada needs, perhaps more than any other country, wider markets for the commodities she produces. It would be a great misfortune, to say the least, if the opportunities afforded for trade expansion by the Australian Trade Agreement are suddenly to be snatched away to appease a grievance, which may perhaps be subject to abatement in some other way.

The general committee on education has carried on its work effectively throughout the year through the active agency of George Carruthers, its chairman, and T. L. Crossley, its secretary. Interest has been maintained in the correspondence school of paper-making. Progress has been made with the publication of the French text books. The executive voted $150 to be used as prizes for the encouragement of students in the Quebec government school of paper-making at Three Rivers.

An appeal was made to the executive council for financial support for a proposed new department of fuels and fuel technology at McGill University. The council did not make a direct grant but gave the undertaking its endorsation and suggested to the individual members the desirability of supporting the proposal by direct contributions. The amount asked was an annual grant of $1,000. It is gratifying to be able to report that the amount to cover the initial year has been subscribed and that further financial assistance has been promised.

The machinery of the association has been employed to defend the members' interests in three notable lawsuits, all of which have terminated satisfactorily for our members. Two of these suits are based upon claims for alleged infringement of patents and the third was for payment of claims arising out of government control of newsprint prices during the war.

Extending Goodwill

A. E. Cadman, the association's statistician, spent several months of the summer in Europe, during which he paid fraternal visits to the pulp and paper manufacturers and organizations in several countries visited, extending the goodwill already existing between them and ourselves and arranging for a fuller exchange of information of mutual interest.

The association has increased its membership slightly during the year and improved its financial position, as the statement will show.

In conclusion, since this report is to be my valedictory, I should like to extend to the members at large, the members of the executive council, the directors of the research corporation, the members of the research section, and all others who have so generously supported our efforts during the last two years, my acknowledgment of their most valuable assistance and my heartiest thanks for their support. The office of president, particularly since the building project was taken up, has not been altogether a sinecure and has sometimes called for a greater sacrifice of time than, considering other demands, I could well afford to make. Nevertheless, I appreciate the opportunity the occupancy of the office has given me to be of some service to my fellow-members and, I hope, to the industry at large, and I take at least a small measure of satisfaction out of the fact that the association is in a stronger position to-day than ever and that the last two years have been marked by progress and development in every direction. I should like to include in my acknowledgments a word of thanks and appreciation also to the secretary and his staff for the conscientious way in which they have performed their duties and the assistance they have rendered to the executive in his work.

Retiring President Given Silver Humidor

L. R. Wilson, the retiring president of the Canadian Pulp and Paper Association, has been responsible for the erection of the new Pulp and Paper Research Institute at McGill University. Mr. Wilson's term of two years in office marks the first time that any member of the association has held that office for two consecutive years. The success of his administration and the work which he has accomplished for the industry—often at great personal sacrifice—has not been unmarked by his colleagues who on his retirement as president seized the opportunity to present him with a silver humidor which is in the form of a model of the new Pulp and Paper Institute at McGill. The inscription reads:

"Presented to Lee Roy Wilson, Esq., by the Canadian Pulp and Paper Association, in recognition of his valuable contribution to its welfare during his term as president, 1926-27, and in token of the high regard in which he is held by his fellow members. January 27, 1928.

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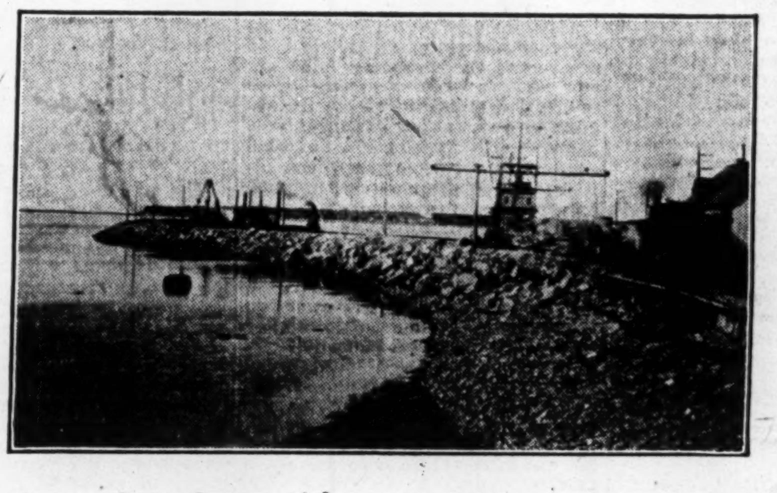
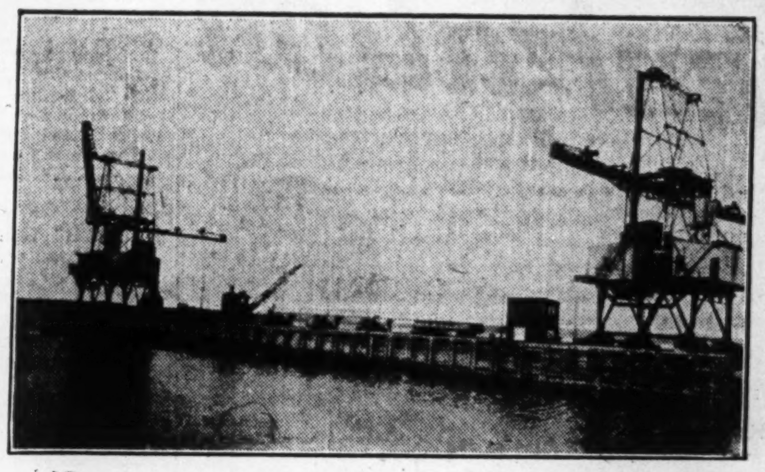


Approach to Commercial Wharf

Owing to congestion in harbour, cribs for this wharf had to be built on the mainland at Gaspe and towed across.

Boom and Boom Cribs

Method of holding pulpwood for loading, at Ellis Bay, Anticosti Island.



Pulpwood Loading Wharf and Towers at Ellis Bay.

IN NOVEMBER, 1926, The Foundation Company started work at Ellis Bay, Anticosti Island, in the Gulf of St. Lawrence, on a rush development for The Anticosti Corporation. It consisted of the construction of a pulpwood loading wharf, a commercial wharf, booms and boom cribs, numerous buildings and a housing development, as well as rehabilitation of the power plant. Despite the most trying conditions and the fact that the telegraph was the only means of communication with the mainland during the winter months, the undertaking was successfully completed in August, 1927 . . . . . Just one more proof that The Foundation Company is an organization to which can be entrusted with entire confidence the construction of Pulp and Paper Mills, Pulpwood Loading Plants, Wharves and Harbour Developments of all kinds.

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TECHNICAL SECTION OF PULP INDUSTRY HAS GOOD YEAR

Chairman Says 1927 Was Period of Progress and Achievement

MEMBERSHIP GROWS

The operations of the pulp and paper companies fall into two categories, timber operations and actual manufacturing. There is little connection between these two divisions of every company. The problems of forestry and logging are as a rule quite unconnected with the problems encountered in the mills themselves. Hence these two great branches of the industry each has its own section within the association.

The woodlands section carries on work steadily, leading to the improvement in the woods operations of the component companies in the association. The technical section meets and surmounts problems encountered in turning logs into pulp or into paper.

The annual reports of both sections of the industry provide a concise picture of the past year's operations in both fields of endeavor. The report of the technical section follows:

Your technical section takes pleasure in reporting another year of progress and achievement. Two very successful meetings have been held and the interest in the purely technical branch of our industry has been maintained at the level of preceding years. The healthy character of the section is reflected in the constant growth in membership. At the close of the year our membership roll listed 213 members in good standing, as compared with 186 at the close of the preceding year. Three members who had left the industry for other employment resigned. It is gratifying to the executives to be able to say that this year's increase in membership compares favorably with that of any preceding year and that it was achieved without anything in the nature of a "drive." Our technicians appreciate more and more the advantages of uniting for mutual development and improvement, while the service afforded by the section is such that most of those qualified to become members are only too keen to embrace the opportunity.

Of the meetings above referred to the more important was the annual meeting held in January last. The attendance was larger, if anything, than in previous years. The papers and discussions were of a high character and evoked very great interest. The entire proceedings were published, as customary, in pamphlet form at the conclusion of the meeting, so that any extended reference to them here would be superfluous.

The second meeting, held in June, took the form of an excursion to Quebec, Chicoutimi, Kenogami, Riverbend and the Lake St. John district generally to examine into recent developments in the pulp and paper mills in that region. The attendance was exceptional, comprising upwards of fifty members of the section. The meeting was both enjoyable and instructive. Among other things the members were permitted to inspect the workings of the Minton vacuum dryer in Price Bros. and Company's mill at Kenogami and to listen to and illustrated descriptive lecture on the new device by one of the Minton company's executives. The section is greatly indebted to the Anglo-Canadian Pulp & Paper Company, Ltd., Price Bros. & Co., Ltd., the Quebec Pulp and Paper Co., Ltd., and others for courtesies extended during the meeting.

The several standing committees of the section have functioned efficiently during the year, the results of their efforts being recorded in the regular annual report.

The finances of the section are in a healthy condition, the surplus in the treasury having increased somewhat since the last annual meeting.

Acknowledgment is due to the Pulp and Paper Magazine, in particular, and to the other trade journals for services rendered in the publication of papers, discussions and reports of value and of interest to our members.

Like other sections, the technical section is looking forward to the coming year as one of unusual interest and importance. With the completion of the Pulp and Paper Research Instituto and its occupancy, which is expected to take place in the early spring, this section feels that a strong impetus will be given to not only efforts that may strictly be described as research but also to all the work in which our members are engaged. The fact that it will provide a permanent home for all of the association's activities will also react to the advantage of our members.

A. P. COSTIGANE, Chairman.

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PRICE SEES END OF FIRES IN FORESTS

(Continued from page 13)

such an army of forest protectors to the strength of this Dominion is, I believe, one of our most commendable enterprises.

Raising More Money

"I do not need to argue that no institution of voluntary character such as the Canadian Forestry Association, could proceed far in even the most enlightened programme of public service without financial support. I regard the successful history of this Association in money-raising, not from the point of view of dollars, but from the testimony thereby furnished of the confidence of men and companies and governments in the utility and economy of the task to which we have set ourselves.

"During 1927 we encountered unexpected and substantial losses from certain quarters, but nevertheless, not only caught up on the losses, but added nearly twenty thousand dollars net to the year's income. It is a goodly record, considering the uphill nature of the Association's job, (and the tendency of people to confuse forestry with altruism), that since 1914 we have raised our annual support from $5,000 to $137,000, and our membership from 2,000 to 29,000.

"It i. perhaps one of the .ost heartening facts of our year's work that mercantile firms, owning no timber themselves, and acting out of broad-gauged patriotism, contributed no less than $26,000 to aid us in our campaigns. Such a showing furnishes fresh fuel to my belief that Canadian public opinion on forest conservation is aggressively on the up-grade and that Canadian Forestry Association is now, and increasingly will be a very valuable instrument in accelerating that development."

Book and Writing Men Discuss Tariff

(Continued from page 13)

to 61,606 tons in 1927, or about 6 per cent. All except 4,069 tons of the product was absorbed by the domestic market. Exports showed an increase of 1,782 tons over 1926, which, while not very large, at least indicates a growth in our export trade in a market which is highly competitive.

Importations of book and fine papers showed an increase of some 20 per cent. The figures of 1926 were 6,560,757 lbs.; 1927, 7,910,113 lbs.

The Howard Smith Paper Mills, Ltd., installed a new soda pulp mill during the year. This company is also installing an additional paper machine in order to keep up with the increasing demand.

Our section held ten regular and two special meetings during the year, at which trade matters were dealt with.

Our relations with the Canadian Paper Trade Association, the distributors' organization, have been harmonious throughout the year.

More Economic Basis

Several conferences were held with representatives of the magazine and periodical publishers with a view to finding a way by which their paper requirements could be supplied on a more economic basis. The publishers compare the price of book paper in Canada with that prevailing in the United States without taking sufficient notice of the varying conditions applying in the two countries and the higher cost of production in Canada. Our mills suggested to the publishers that if they would standardize their requirements and pool their orders, thereby bringing about a reduction in manufacturing costs and selling price, it would help their situation materially. Unfortunately nothing has yet come of the suggestion. Instead the publishers have applied to the government for a drawback of 99 per cent. of the duty imposed on imported paper used in the production of magazines. Arguments have been heard by the Advisory Board on Tariff and Taxation and the matter is now in abeyance. The paper manufacturers, it is needless to say, have only the heartiest goodwill for the publishers and are anxious to assist and serve them in every way compatible with the preservation of their own business. They do not think a reduction of the tariff on paper would bring about the result desired by the publishers and they are quite sure it would work serious injury to the paper industry.

The section is glad to report a very general betterment of the magazine and periodical publishing business in Canada as is evidenced by the improvements shown in existing publications and in the inauguration of a number of new ones, particularly those of the better class. It is also satisfactory to note that the Customs Board has recently ruled that some 125 foreign magazines coming into Canada are dutiable at 25 per cent. as unbound novels. We believe this ruling could be extended to apply to many similar publications with marked benefit to Canadian publishers.

In an effort to combat the large volume of paper imports coming into Canada the section has appointed a special agent to carry on a line of investigation as well as to promote the use of Canadian-made in the place of foreign paper. We have also renewed our application to the Minister of Customs for the appointment of an expert paper appraiser to pass upon doubtful entries.

—K. S. MACLACHLAN, Chairman.

Wrapping Paper Mills Prosperous

The wrapping paper mills have enjoyed a prosperous year, business being good and prices steady. Quite a number of the wrapping mills are now making kraft wrapping paper in addition to other lines, which appears to work out to their advantage. No new mills have been established but one new machine has been installed and is now in operation.

Exports of wrapping paper were somewhat smaller than in the previous year, there being a decline of about 25 per cent. in the shipments of kraft wrapping.

Imports of wrapping paper, on the other hand, were considerably greater than in 1926, quantities imported being, kraft wrapping 2,065,000 lbs. and other wrapping 9,850,954 lbs., consisting principally of mill wrappers for the use of newsprint mills, as compared with 1,333,689 lbs. and 6,786,411 lbs. respectively in 1926.

The mills reporting to the association produced in 1927, 23,866 tons of wrappings of various kinds including, kraft wrapping, 8,404 tons; mill wrappers 6,107 tons and miscellaneous 9,454 tons. Shipments for the year amounted to 23,737 tons of which 23,456 tons were shipped to customers in Canada.

—F. J. CAMPBELL, Chairman.

Tissue Mills' Outlook Good

There are now eight companies in Canada, manufacturing tissue paper. The Canadian production of tissue in 1927 was 4,816 tons, as compared with 4,135 tons in 1926. The shipments amounted to 4,773 tons as against 4,153 tons in the previous year.

The foreign mills continue to reap the benefit of Canada's "favored nation" treaty, with the result that most of the Canadian tissue mills have substantially reduced their production on flat tissues, refused to meet the prices at which the foreign flat tissues were being laid down in Canada, and confined their operations largely to other lines on which there is a possibility of a profit.

There was a substantial increase in the consumption of tissue papers used by converters, such as waxing papers and other lines used in automatic machine wrapping.

The volume of business for 1927 was generally satisfactory, and the outlook is promising.

GEORGE CARRUTHERS, Chairman.

Paperboard Makers Have Better Year

The paper board industry has experienced a satisfactory year and the mills were able to operate under favorable conditions. This was due mainly to the better conditions prevailing in Canada as a whole, the general business situation having been better in 1927 than for some years past.

Demand for boards has been steady and there was less competition from imported boards than was experienced in 1926. There is still, however, a good deal of paperboard imported into Canada which could well be manufactured in this country to the benefit of Canadian mills and the Dominion in general.

The improvement in the industry is reflected in figures showing production and shipments which are as follows:—

	Production Tons	Shipments Canada Tons
1927	116,064	103,030
1926	113,322	98,460

	Shipments Export Tons	Total Tons
1927	13,276	116,306
1926	13,711	112,171

It is expected that the coming year will see a continuation of the improvement in general business throughout Canada which was a feature of the year just concluded and in consequence a good demand for boards will result. Some misapprehension is caused, however, by the expansion which is taking place in this branch of the industry, and it is feared that unless great care is exercised there will be a surplus capacity which will have an adverse effect upon the market situation. The consumption of board in Canada increases slowly and any large addition to the productive capacity of the mills is apt to lead to unfavorable market conditions.

D. F. ROBERTSON, Chairman.

Groundwood Handicapped

For the mechanical pulp mills the year 1927 was one of the most unsatisfactory that has been experienced for some time.

Water conditions throughout the year were generally good, but as this was also the case in the United States the result was a lowering of prices which were well below the average of last year, and in most cases were below the cost of production for the average mill.

Similar conditions prevailed also in the European countries which produce mechanical pulp and the Scandinavian countires were forced into an agreement to curtail production in an effort to stabilize the market.

Consumption of mechanical pulp in the United States was considerably smaller than in 1926, there being a decline of 14 per cent in production and a drop of 60,000 tons in the imports for the first ten months of the year. Of the imports during this period, Canada supplied 182,261 tons out of a total of 193,629 tons as compared with 233,189 tons in 1926 out of 253,056 tons.

Canadian exports for the year were lower by 121,000 tons than in the previous year, shipments to the United States having declined by 79,000 tons, those to Great Britain by 28,000 tons, and no shipments having been made to France. Several of the Canadian mills were idle for a good part of the year and others operated on reduced schedules.

An effort was made during the year to inaugurate a system of efficiency reports among the members of the section but conditions were such that it was not found practicable to carry this out successfully. It is hoped to revive this co-operation effort when conditions become more normal.

Owing to the resignation of E. Lavoie, who severed his active connection with the industry, the section has been without a chairman for some time, but it is expected that the vacancy will be filled at the annual meeting.

Sulphite Pulp Markets Weak

The sulphite pulp market in 1927 failed to realize the hopeful expectations of a year ago. Early in the year some weakness appeared under the pressure of a gradually mounting surplus tonnage. This weakness was first apparent in the European market. By midsummer, the North American market was similarly affected and large tonnages of certain qualities of sulphite pulp changed hands at prices considerably below those applicable to standard grades of bleached and unbleached sulphite. This proved a very unsettling influence and weakened the entire price structure.

One of the year's most disturbing features was the readiness of several European producers to agree to the conversion of existing contracts into larger contracts at lower prices.

It is now evident that expansion of production, particularly in Europe, has proceeded at a rate not justified by the rate of consumption increase. The increase in world sulphite capacity in 1926 was about 16 per cent. For 1927, a further increase of 10 per cent. is estimated. The depressed condition of the world's sulphite market has undoubtedly served to check further expansion.

Consumption of bleached and unbleached sulphite pulp in North America in 1927 was probably greater than in 1926, but it is not believed that the increase was more than normal. Europe's status as a consumer continues to improve and may well prove to be an important factor in restoring the industry to a more stable and profitable condition.

Canada's exports of sulphite pulp in 1927 were somewhat smaller than in the previous year, total shipments being 429,787 tons as compared with 455,571 tons in 1926. The decline was due to a decrease in exports of unbleached sulphite which amounted to 192,559 tons, as against 254,576 tons in 1926 while there was an appreciable increase in the quantity of bleached sulphite exported the total for the year being 237,228 tons against 200,995 tons in 1926.

In certain countries tariff action unfavorable to the interests of Canadian producers of sulphite pulp has been foreshadowed. Suitable representations, which it is believed will result advantageously, have been made in this connection by the association on behalf of the members of the sulphite pulp section.

During the year the harmonious relations between the sulphite pulp section of the association and similar bodies in the United States and Europe have been maintained, and the information resulting has been sent regularly to members.

F. G. ROBINSON, Chairman.

Waxed Paper is Improving

It is with a great deal of satisfaction that I am able to submit a somewhat more optimistic report than has been possible for the past two meetings. The present general prosperity of Canada has not passed the waxing section by without making some impressions upon it.

Whereas the waxed paper industry showed very large operating losses for the year 1925 and 1926, these losses seem to have at last had some good effect in that they have brought the realization that selling prices must be stabilized at higher levels. The great tendency toward mergers in the baking and confectionery trades, our largest consumers, has created close buying and has possibly had some adverse influence but I believe that, when financial statements are struck, the past year's trading will show a big decrease in losses, if not actually some small profits.

One waxing house has during 1927 gone into liquidation and, whilst the necessity for this was to be regretted, the previous over-crowded condition of the trade has consequently been somewhat ameliorated and is not now felt quite so keenly, although production on account of demand has by no means reached capacity.

Volume of actual business seems to be more or less at a standstill, but I believe that the public opinion is gradually becoming more educated to the necessity for the wrapping of foodstuffs. A surprise was occasioned us comparatively recently by a demand from labor circles for the compulsory wrapping of bread.

Altogether I feel more hopeful and optimistic for the future and that with continued progress along the present lines, we can look to make our industry self-supporting within a short time.

—E. A. BRADSHAW, Chairman.

Felt and Building Papers Are Steady

The manufacturers of felt paper and building papers in Canada, experienced the usual dull season during the winter months, when very little building is in progress.

From April, however, until the end of the year business continued steadily, with a slight decline in price over the period.

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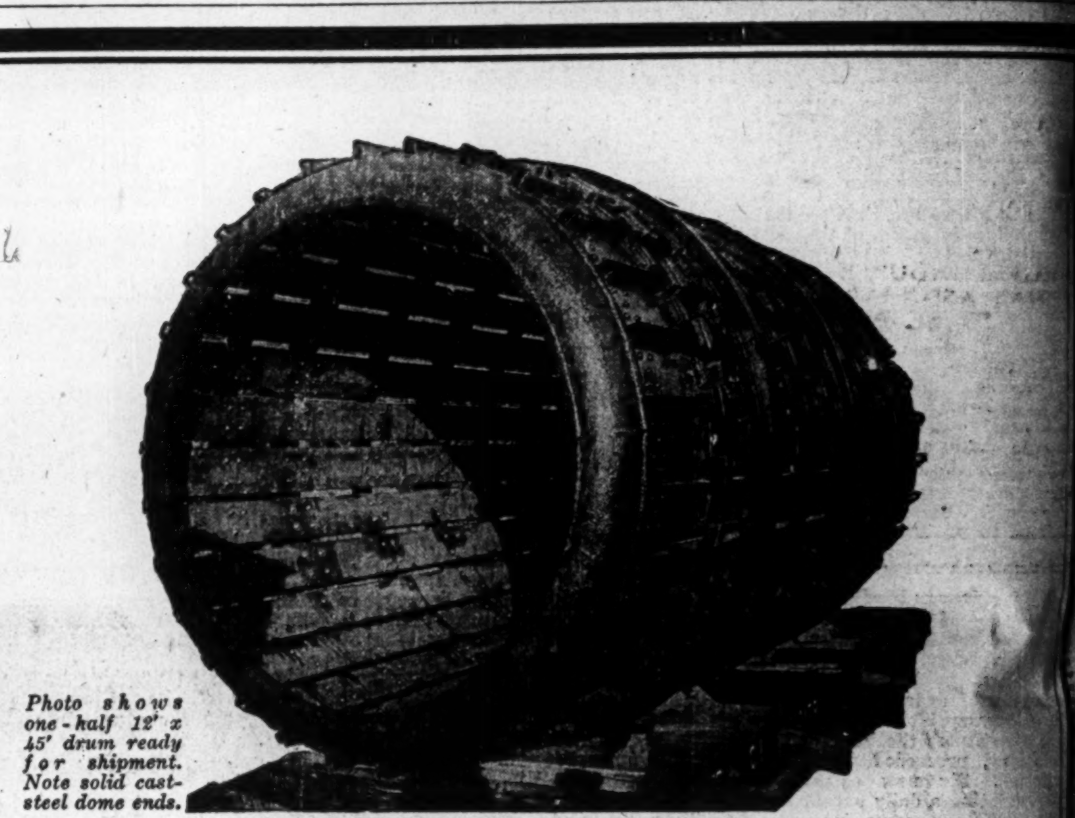

Photo shows one-half 12' x 45' drum ready for shipment. Note solid cast-steel dome ends.

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THE NEW FEATURES

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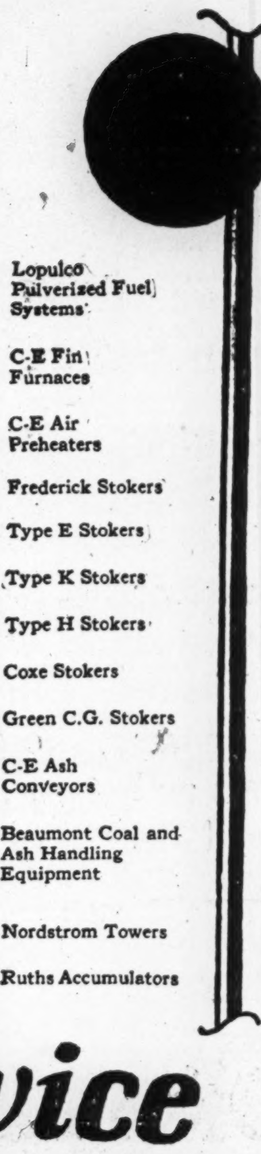

which—has developed nine types of stokers,

which—has developed two systems of Pulverized Fuel,

which—pioneered the use of preheated air for combustion,

which—pioneered water-cooled furnace walls,

which—has installed Stokers in eighty different plants in Canada,

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FUEL TECHNOLOGY RECEIVES SUPPORT OF PULP INDUSTRY

Sum Needed by McGill is Subscribed by Individual Companies

While credit is due the Canadian pulp and paper industry for its financial contributions toward the erection and completion of the new Canadian Pulp and Paper Research Institution in Montreal, yet perhaps even more credit is due to the able executives throughout the industry who have had the wisdom and foresight to make the fullest use of research in their operations.

The erection of the Canadian Pulp and Paper Research Institute has been a heavy financial burden which the association has carried. In working along these lines the executives of the various companies and of the association, in their work, can be classed with the brilliant industrial leaders of such companies as the General Electric and the American Telegraph and Telephone Company which, like the Canadian pulp and paper executives have never hesitated and have reaped large rewards from the field of pure research.

The annual report of the president this year gives another indication of the fact that the pulp and paper executives are well in step with the outstanding and thoughtful industrial leaders the world over.

The pulp and paper industry uses an immense amount of coal every year. An appeal was made to the association for financial support for the proposed new department of fuel technology at McGill University. The council, probably because of the financial burdens involved in the institute, made no direct grant to the university, but the association endorsed the idea and suggested to its individual members the desirability of supporting the proposal by direct contribution.

The sums asked for by McGill were immediately subscribed by individual companies which look, not for an immediate dividend by way of the discovery of cheaper methods of burning coal, but rather for pure research and better fuel instruction by the university. So the industry will benefit by having at hand engineers trained in the most modern and economic way of using fuels, and in addition will ultimately share in benefits which cannot fail to accrue from pure research in a raw material which plays a prominent part in the annual costs of the companies.

LARGEST INDUSTRY HAS ASSOCIATION TO BE PROUD OF

(Continued from page 13)

and functions independently in its own field; newsprint, book and writing paper, felt, board, coated paper, wrapping, tissue paper, waxed paper, kraft, chemical pulp, and mechanical pulp.

The first meeting for consideration of the project which eventuated in the Canadian Pulp & Paper Association was held in Toronto on March 8, 1913, and appointed a committee on organization consisting of Messrs. Carl Riordon, I. H. Weldon, C. Howard Smith and George Challes. This committee reported to a meeting in Montreal on March 18, and the association was formally constituted on the following day, with Mr. Carl Riordon as first president and an executive composed of T. J. Stevenson, A. F. Cayford, I. H. Weldon, D. F. Robertson and C. Howard Smith.

The new organization immediately applied itself to a number of the activities which now engage its interest, such as the gathering and dissemination of trade statistics, the establishment of a recognized body of trade customs, the encouragement of the consumption of domestic products as opposed to unnecessary importation, and to questions relating to the tariff, transportation, betterment of labor conditions, regulation of credit, technical research, industrial efficiency and other matters.

Dawe Appointed Secretary

In 1917 A. L. Dawe was engaged as permanent secretary, and not a little of the subsequent progress of the association has been due to his energy and enterprise and to the working methods which he established. In 1921 Mr. Dawe was succeeded by the present secretary, Edward Beck.

Thanks partly to a steadily increasing co-operation by the members, the statistical and other bulletins issued by the association have increased year by year in number, scope and timeliness. The transportation department has handled a large number of cases, and has in many instances, secured adjustments of rates to the advantage of members. Questions relating to the tariff, the government regulations concerning forest conservation, the compensation of employees, and (during the war) the regulation of prices and deliveries, have engaged a great deal of attention and from time to time have necessitated the expenditure of large sums for the presentation of evidence and argument before governmental bodies. It has been generally felt by the members that these efforts and expenditures have been amply justified by the results attained.

The association's efforts to expand the market for Canadian pulp products have been continuous and energetic. One of the most notable results, and one for which the association may take a large share of credit, is the adoption of the preferential trade agreement with Australia, which has already added a considerable volume to the exports of Canadian paper, and provided a most valuable outlet for that part of industry situated on the Pacific Coast.

Paper Leader as President

The association has throughout its career enjoyed the advantage of having as its president one of the outstanding leaders of the industry. Included in the list is Carl Riordon, Riordon Pulp Corporation, Montreal, (1913-14); I. H. Weldon, Provincial Paper Mills, Toronto, (1915); J. H. A. Acer, Acer & Co., Montreal, (1916); C. Howard Smith, Howard Smith Paper Mills, Montreal, (1917); F. J. Campbell, Canada Paper Co., Windsor Mills, Que., (1918); J. A. Bothwell, Brompton Pulp & Paper Co., East Angus, Que., (1919); George Chahoon, Jr., Laurentide Co., Grand Mere, Que., (1920); P. B. Wilson, Spanish River Pulp & Paper Mills, Sault Ste. Marie, Ont. (1921); Geo. M. McKee, Port Alfred Pulp & Paper Corp., Montreal, (1922); H. F. E. Kent, W. J. Gage & Company, Toronto, (1923); George Carruthers, Interlake Tissue Mills Co., Toronto, (1924); Frank W. Clarke, Gulf Pulp & Paper Co., Quebec, (1925); L. R. Wilson, Abitibi Power & Paper Co., Montreal, (1926-27).

The present Executive Council is composed of the following: J. L. Apedaile, Price Bros. & Co., Quebec; W. McE. Bowden, Laurentide Co., Grand' Mere; E. A. Bradshaw, Bradshaw's, Ltd., Toronto, Ont.; F. J. Campbell, Canada Paper Co., Windsor Mills; Geo. Carruthers, Interlake Tissue Mills Co., Toronto; George Chahoon, Jr., Laurentide Co., Grand'Mere; Frank W. Clarke, Gulf Pulp & Paper Co., Quebec; A. P. Costigane, Toronto; F. H. Gage, Georgetown Coated Paper Mills, Toronto; C. H. L. Jones, Spanish River Pulp & Paper Mills, Sault Ste. Marie; K. S. Maclachlan, Lincoln Pulp & Paper Co., Merritton; Geo. M. McKee, Port Alfred Pulp & Paper Corp., Montreal; Angus McLean, Bathurst Co., Bathurst, N.B.; D. F. Robertson, Can. Paperboard Co., Montreal; F. G. Robinson, Riordon Sales Corporation, Montreal.

ESTABLISH WEALTH BY FOREST PRESERVATION ATTRACT IMMIGRANTS

(Continued from page 14)

to their augmentation in the long run.

Legislation Not Needed

There are two ways by which the management of forests on the basis of sustained yield may be brought about. One by legislative regulation and the other by co-operative demonstration. We may eventually come to the former throughout the forests of eastern Canada, but I do not regard it as the best method. Business resents dictation from legislative bodies. It should be applied only when co-operative methods fail. Then if it is necessary to apply it, business has only itself to blame. We do not need any more legislation in the management of our forest wealth—in some cases we have too much now—but we do need very much more co-operation between the forestry staff and the directorate of the pulp and paper business. It is your privilege and obligation to bring that about. You can show your executives that the most beautifully engraved bonds and stock certificates have no sustained value unless there is a sustained supply of the wood on which the promise to pay is printed, lying behind the mill.

Anyone with a school boy's intelligence knows that the only safe and enduring foundation for the wood using industries is wood, wood in continuously oncoming supplies. Their enduring foundation is not based on the stock market, in great aggregations of capital, nor in those wonderfully developed, efficiently managed mills, nor in those highly proficient executives to whom we point with justifiable pride. The enduring foundations of the pulp and paper industries are laid in wood, wood and still more wood, crop after crop for all time and you can show your executives how it can be produced in this manner, an accomplishment for great brains, and great statesmanship. The mere process of cutting trees which have taken nature 100 years to produce and grinding them into pulp does not require ability, but to reproduce them in half the time and get a better quality of wood requires creative ability of high order and that is your proper function.

The best way to convince an operator is to show him what can be done in the forest itself either through cutting methods or plantations, or both. The great problem in the forest itself is to get an adequate regeneration of the commercial species. If the operator could be shown that the adoption of certain cutting methods would keep his limits fully stocked with young growth of the desired species and would lead to successive periodic crops, I am sure he would accept them gladly.

Demonstration Forests

I think the great need of the profession as an aid in solving the problem of forest management is the establishment of demonstration forests. They should be established on a commercial scale in various conditions of stand and composition, the work being carried out, under direction of course, by the ordinary organization of forest labor. We believe we can manage a forest successfully on the basis of continuous production and we should seek the chance to demonstrate what we can do. Of course we should be given a fair chance; we should start if possible with a virgin forest, not one that has been wrecked by excessive cutting or burning. We do not need to go into all the refinements as yet of European forest management. Our first step should be the getting of adequate regeneration of spruce. If we can not get it the sooner we know it the better. Then we can turn to the development of an extensive planting program. In any case I think every forester for a private company should have plantations for demonstration purposes if for no other reason. There is nothing like a plantation to carry the idea to a business man that trees grow and that trees are crops.

Regeneration of Spruce

I believe that we can get an adequate regeneration of spruce after logging resulting in the end in a mixed forest in which spruce will predominate. We already have sufficient knowledge which we do not apply on a commercial scale to justify beginnings along this line. As we go on we can apply the second method of creating new wealth, mentioned in the beginning of this paper, or in other words, the results of research.

I do not mean to lead to the inference that we shall finally do away with the necessity of getting new crops of spruce by planting. There is always more than one way of achieving an object and in economic matters, sometimes one and sometimes another is the more profitable.

As a very important step in bringing our forest to a continuous productive basis, I think our energies as a profession and yours particularly as foresters and woods managers to pulp and paper companies, should be devoted to a greater extent than in the past, to the establishment of demonstration forests under logging conditions as to equipment but with some modifications of the usual cutting methods. These modifications, however, should not be greater than would allow a reasonable profit to the operator. It is apparent to everyone that we have made a wreck of our forests. Heedless and destructive forces have been in control too long. The time for a changed point of view and the introduction of constructive forces on economic basis and patriotic endeavor is at hand.

Must Attract Immigrants

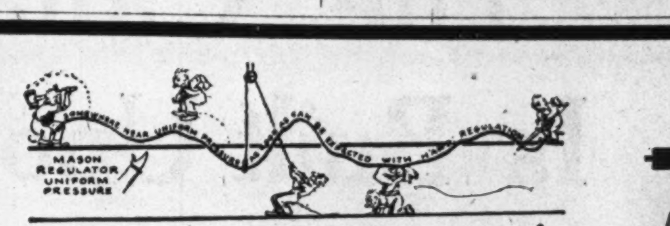
Finally, do you see the connection of all this to the statement in my first paragraph about immigration? I have tried to show, although there have been some notable exceptions, that our whole attitude toward our forests has been one of temporary expediency. When it has served its purpose it is cast aside. Here is a possible chance to make money or to develop a new business in a certain district. When the wood is gone we will move to a new place and when there is no other place to move to we will go out of business. How can such a policy attract people who want permanent homes and the assurance of a life time of profitable employment? We know what such a policy has done for the white pine sawmilling industry; it has left behind a wrecked forest, abandoned towns, a discouraged rural population and high taxes. I ask again do such conditions attract immigrants? Judging from the experience of the white pine industry, we can predict pretty accurately what eventually will happen to the pulp and paper mills if they continue their present policy; they will finally have to find a substitute for the manufacture of pulp and paper from spruce or go out of business as large producing units. They will leave behind them conditions like those of the white pine industry, conditions that will not appeal to immigrants.

I hasten to make some reservations to the last statement. Certain companies in the north country hold lands that will eventually become agricultural and certain companies are an outstanding exception to the general policy of temporary expediency. The limits of the latter will support a happy contented population for there will be permanent work for them in creating, harvesting and manufacturing the products of successive forest crops. It is your function as foresters and woods managers to make the latter condition general in the pulp and paper industry. You will create new wealth on a self-sustaining basis and your efforts will lead to the establishment of an increasing permanent population on the forest soils of eastern Canada. It is quite evident that Canadian enterprise should concern itself with developing those lines of business to which the climate, soil, and the spirit of the people are best adapted. It should not waste too much time, money and energy in developing lines that have to be artificially stimulated. Eastern Canada has the lead over any other portion of the world in possibilities of forest crop production.

Vision of Possibilities

A large proportion of the soil cannot be used profitably for agriculture for many generations to come; she has a people who have an inherent love and adaptation for woods work; she has abundant and cheap power, she has a network of rivers for cheap transportation, she has a great nation to the southward clamoring for the products of the forests, she has easy access to the sea and the markets of the world. Do you catch the vision of the possibilities? An eastern Canada with her forest soils fully stocked with commercially valuable trees, coming into the market in orderly procession for all time, an eastern Canada full of work for active brains and willing hands, an eastern Canada with her waterways and railways crowded with forest products on their way to the markets of the world.

When this vision is realized, when Canadian enterprise really asserts itself and becomes dynamic in creating new wealth on a self-sustaining basis, all discussion and worry over immigration and the drifting of our young people to the United States will cease for the problem will have been solved.



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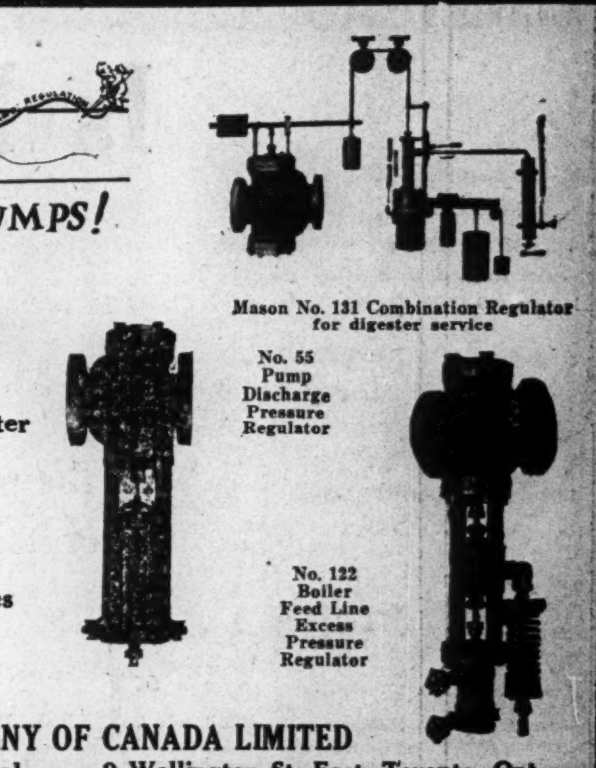

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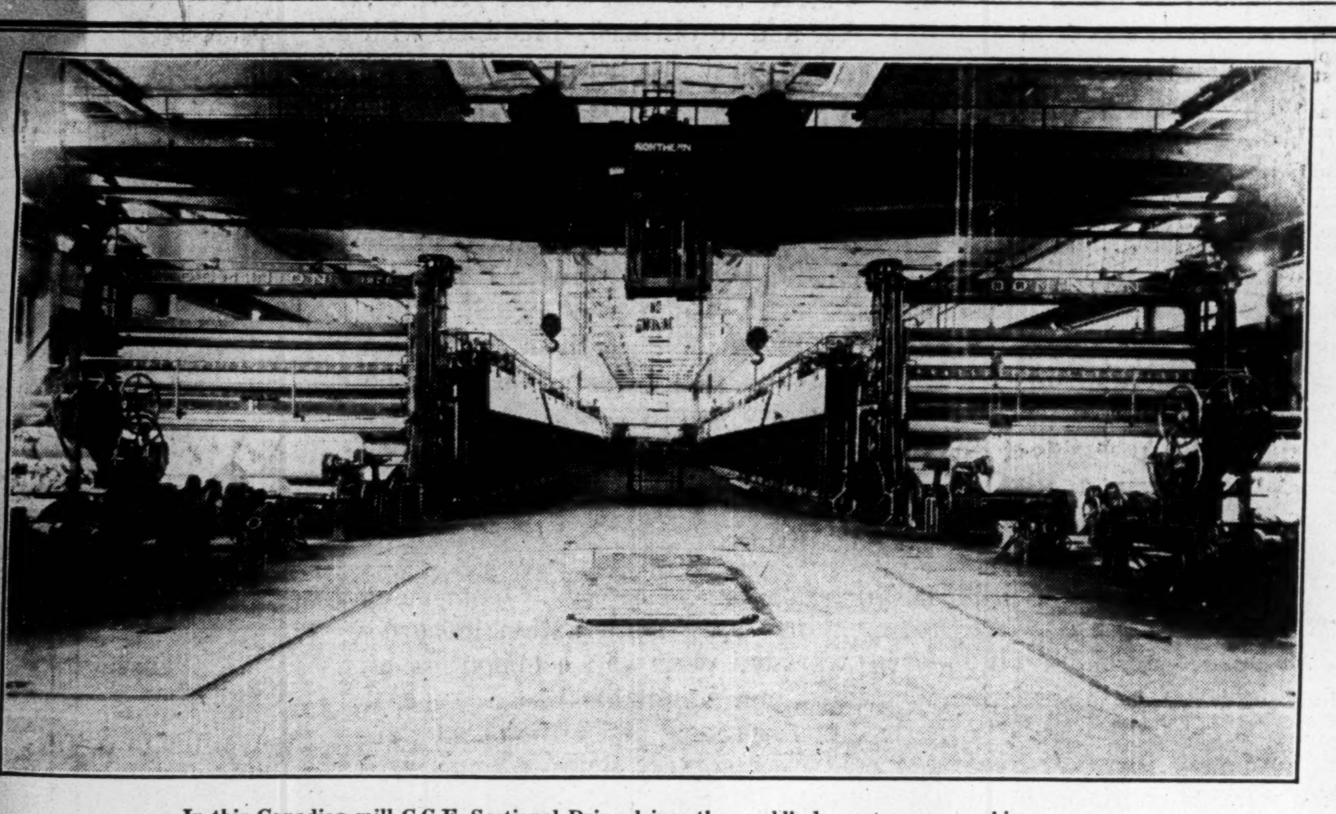

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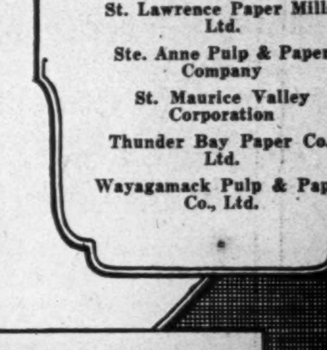

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"The Canadian Forestry Association Is Built Upon the Bed-rock of Necessity"

—Sir Henry W. Thornton

At the public convention of the Canadian Forestry Association at Montreal, January 25th, 1928, Sir Henry W. Thornton, President of the Canadian National Railways, made the following statement:

"I FEEL that the growth of the Canadian Forestry Association, even in the subordinate matter of its revenues, which in twelve years have increased from $5,000 to $137,000, represents a barometer accurately gauging the pressure of public demand for more effective guardianship of the timber lands. Its development from a struggling body of 2,000 members to the present wholesome society of 30,000—the largest in the world, I believe—is an earnest of what can be done in mass organization to achieve what is neither more nor less than a mass objective. No mere committee of limit holders, no mere department of a government, can solve the problem of forest conservation in this land. The whole people are the owners of the forest lands, the whole people suffer the penalties of devastation and enjoy the profits of conservative management, and nothing short of the whole people, aroused and instructed, can supply the foundation on which governments and private agencies can create the mightiest structure that this nation can boast—a permanent and never-failing forest supply."

The Pubilc All Powerful

"When an association shows continued and solid growth in membership from 2,000 to 29,000, and in finances from $5,000 to $137,000, in a period of twelve years, there must obviously be some solid foundation to support this growth. The foundation of this association, as I see it, is built on the bed-rock of necessity, and that necessity is bringing home to the people of Canada their interest and duties in the part they play individually in the protection and conservation of Canada's vast forest resources.

"Public opinion can be moulded in two ways — by legislation and by education, and it is upon the latter method that the work of this association has proven so successful. 'You can push and you can shove, but I'll hang if I'll be druv' is an old saying, and a very true one, and particularly applies to mandatory legislation where the average individual's knowledge of its purpose is apt to be limited. To increase the average individual's knowledge of forest protection has been, and is, the work of the Canadian Forestry Association, and how well that work has been done is best proven by the experience in the back and vital areas of Canada's hinterland."

Great Value to Canada

After dwelling on the enormous wealth of Canada's forests, quoting figures of output and export, Sir Henry continued:

"The lecture tours of this association, the educational work it is doing in schools, are of first importance, and its value to Canada cannot be estimated in dollars and cents."

He praised the work of the association, referring at some length to the results achieved in British Columbia. Of this he said:

"The great timber stands of British Columbia, representing fully half the softwood supply of Canada, are an inheritance of the whole Canadian people, and not until the meaning of that fact is brought to the understanding and the conscience of every Canadian can we look for such conservation practises as common sense demands. One of our commonest errors is to parcel out mentally the forest resources as the peculiar interest and advantage of one province or one commercial interest. The forest properties of British Columbia, as of Quebec and Ontario, are only nominally the possession of a government or of a pulp and paper company. From the point of view of distribution of wealth, the true owners, the vital partners, are the wage-earners, the merchants, the railways, manufacturers and wholesalers who from the stream of five hundred million dollars a year of forest money maintain no small part of their business volume. The governments in turn perform the service of agents and trustees of the whole people, turning back to all elements of the population the profits accruing from their policies of conservation. It is only mental confusion therefore that assigns the forest resources of Canada to the name of a government or a private company. Few of us realize, I am sure, what a minor part is played by the element of private profit in the annual circulation of the wealth derived from forest operations. Once the Canadian people visualize timber stands as trade rather than trees, we will feel the pull of popular awakening that will outlaw forest destruction as an economic plague.

When Contempt is Fatal

"I have been especially interested in the progress this association has made in British Columbia, because it seems to me that in that province, where every citizen is in sight of timber and so obviously identified with its perpetuation, an educational campaign must produce immediate and permanent results. Possibly, in the past, familiarity with vast resources may have bred contempt for the small matter of personal precaution with fire, but contempt, in turn, has the capacity to rid any province of the sources of its prosperity. It stirs me greatly to see that the British Columbia branch of the association has so established a foothold in the province as to go forth boldly and hold 211 public meetings in 1927, with an attendance of over 50,000, in very small communities. Such efforts persisted in year after year cannot fail to win every British Columbian as a friend of the forest, and even though only fifty or one hundred thousand men and women in a province are in league to suppress forest damage, the remnant of the indifferent and the hostile will soon be brought to toe the mark.

Interesting History

"This association has had a truly interesting history. Commencing 27 years ago with a public sentiment on forest conservation meagrely developed and expressed only in whispers, with the common belief, founded on false claims, of unscratched and illimitable resources, it is today a splendid tribute to the business sense and patriotism of the Canadian people that they have advanced forest conservation—in some ways the most altruistic of all public policies—to the forefront of popular issues and have thus enabled the great timber corporations to institute progressive measures of forestry which could not be thought of, were the public mind indifferent or antagonistic.

"In this turnover of public opinion, I believe the Canadian Forestry Association has played a mighty part. It stands to reason that with 1,600 mass meetings held in the more remote regions annually, and with an attendance of 350,000, chiefly settlers, there is bound to develop a new army of alert and informed guardians of the forest properties. The best policeman—indeed the only one—who can enforce forest protection in the northern wilderness is the man who polices himself. And there is no way under heaven of creating such a force except through the education of his common sense and his conscience."

This page contributed to the Canadian Forestry Association by a friend of forest conservation

RESEARCH WORK PLAYS VITAL PART IN CANADIAN PULP

Scientists Have Brought About Marked Economies in Industry

The research work carried on by the Canadian Pulp and Paper association plays a vital part in the development of the industry. Betterments and improvements have been worked out by the scientists employed by the association which have brought about marked economies in every company in the Dominion.

In its research activities, the association co-operates with McGill University and at the moment is completing a new building where will be housed the offices of the association and its research department, together with one of the chemistry departments of the university. Because of the outstanding contributions which science and research have already made to the industry, the annual report of the Research Section of the association is of particular interest and the annual report of the president of the Research Corporation follows in part:

Research Section

Organization: The organization as outlined in the last annual report has been largely followed throughout the year. This organization was developed to conform to the program of work adopted to cover the constructional period of the new laboratory building. Upon completion of the building a readjustment of the organization to conform to that originally developed will be carried out.

Program of Work: Fundamental studies concerning the Sulphite Process were chosen in 1926 as the principal field of work for the research organization during the present period. The majority of work has been confined to this field, the investigations having been carried out under the direction of Dr. Hibbert, Department of Industrial and Cellulose Chemistry, McGill University.

Such other work as has been undertaken has been concerned with pulp and paper testing and principally in connection with the Freeness and strength tests.

Building: The outstanding development of the year has been the consummation of the project to construct a suitable Research Building to house the co-operating organizations.

Research Corporation

Report of the Research Corporation told of the formation of this body and its work in connection with the new building.

In part the report said:

At the last annual meeting of the Association, a resolution was adopted instructing the Executive to proceed with the erection of a building to accommodate the McGill Department of Industrial and Cellulose Chemistry, the Pulp and Paper Division of the Forest Products Laboratories and the Association's headquarters, in accordance with recommendations submitted by the President. In pursuance of these instructions and in order to comply with the legal requirements, the Canadian Pulp & Paper Research Corporation was formed under the Quebec Companies' Act. At the ensuing meeting of your Executive Council the Association's Building Committee, which had functioned throughout the preliminary stages of the project, asked to be relieved of further service. Its request was complied with, the Council expressing due appreciation of its work. The Committee's functions were thereupon assumed by the Corporation which has since controlled all matters affecting the financing of the building, the letting of contracts and similar matters.

The Building scheme, you are doubtless aware, includes the installation and equipment of a complete experimental paper mill. We already have the paper machine and some of the necessary accessories which were in use in the former building. It is desirable, however, to bring the mill and every part of it strictly up to date. Last November I wrote the manufacturers in Canada and most of those in the United States making pulp and paper mill machinery, requesting them to donate to the laboratory whatever specialties they manufactured in connection with the equipment of pulp and paper mills. This was with the idea of getting the experimental mill and paper machine to be equipped in the new laboratory brought up to as efficient a degree as possible in order that experiments more in keeping with the modern machines could be carried on there, in consideration of which manufacturers donating equipment were to be given the privilege of making experiments in connection with new equipment that could be demonstrated there at less expense than on a full-sized machine. I may say that we received a very generous response to this respect and the engineering data necessary is being obtained on a number of devices that will bring the paper machine up to a high state of efficiency. It will be some little time yet before this machine is fully equipped, but you will later be advised of which firms participated in this connection and more public recognition of their generosity will be made when the work is completed.

L. R. WILSON,
President, Canadian Pulp & Paper Research Corporation.

Sir Charles Gordon Strikes Warning Note to Paper Convention

The unsound expansion of the newsprint production in the past if continued, will undoubtedly menace the industry was one of the outstanding points in Sir Charles Gordon's speech to the annual meet convention of the Canadian Pulp and Paper Association. The new president of the Bank of Montreal in his remarks to the pulp and paper men dwelt on a variety of subjects of national interest including the need of providing suitable employment for the immigrant; the sound forestry measures being taken in other countries and the importance to the well-being of Canada of the pulp and paper industry.

Sir Charles said in part:

Urges Forest Renewal

"But if correct reforestation is pursued, I think we need have no fear about a continued supply. I do not know whether that is being faithfully carried out. There ought to be enough money in the business to do so. It ought to be possible either through governmental means, or other means, of having funds to see that the reforestation of this country is carried out properly. I think it is due to the public, and to the Canadian people, that the forests should not be cut down ruthlessly without provision being made for their renewal.

"While in Scotland, last summer, I was astonished at the amount of reforestation going on in that small country. You see it on every side. Huge estates with nothing on them a few years ago have a growing crop coming on. And some of it of a very substantial size already. That shows they are up to date. They are not ruthlessly destroying their whole country and putting nothing back."

Sir Charles had a word of caution about building extensions too rapidly. Building has been a marked feature of the industry during the past year. The speaker's observations were:

"There seems to be an idea prevalent amongst the pulp and paper people that if demand does not keep up with production, all you have to do is reduce production and put up the price, and that will straighten matters out for the time being.

"So it will—for the time being. But it is a bad principle of business to suppose that that can go for any length of time. Something will happen. If you go on building and overproducing it will be almost impossible to keep some kind of a break from coming. And I do not think it is a wise policy to depend on curtailment of production and advance of price.

"As long as the United States market grows the way it has been growing during the past twenty years, the likelihood is you will have an expanding market year by year. But it seems to me it would be better not to build any more for a while rather than go on building and then require a curtailment for regulation of price."

Importance of Industry

Sir Charles dwelt on the importance of the pulp and paper industry to Canada's balance of trade. "Canada," he remarked, "has been particularly fortunate in having a number of very valuable resources. First, there is our agriculture, in the West particularly. And the wealth developed there is of first importance in the basic commodities of this country. Last year it amounted to $575,000,000 in exports.

"Next comes your own industry—not altogether the pulp and paper industry, but what comes under the heading of the woods industry, an amount of $285,000,000, of which $188,000,000 is pulp and paper. This huge amount has a most important effect in our national balance sheet, as you can well imagine.

"Our total imports are something like a billion dollars whilst our exports are $1,250,000,000. So you can see that this amount—something like $200,000,000 contributed by the pulp and paper industry to our exports—is a most important item in the trade balance of the Dominion of Canada.

"It is important in more ways than one. A great many industries have to depend on their exports, and others on heavy imports. In our own business, for instance, whilst our exports are nil, we have, in our own company alone to import between ten and fifteen millions worth of raw materials before we even commence. That creates an adverse trade balance, and we do not make it up in any way because our exports are practically nil.

"The paper business, however, without importing anything practically, has a favorable trade balance from exportation, and this is a great asset to the Dominion of Canada."

Will Shortly Finance Purchase of Bathurst

From Our Own Correspondent

MONTREAL.—It is understood that the purchase of the Bathurst Company by Nesbitt, Thomson & Company is to be financed by the issue of two classes of common stock which will be offered publicly shortly. It is probable that the class A stock will be offered with a bonus of class B shares.

It seems probable that the new interests which have acquired the property will expand its activities both in power and paper. Already, the Bathurst Company has on order a second 70 ton newsprint machine; for years the former management has had under consideration the development of a further 25,000 h.p. on the Nepisiguit River with another 250 ton newsprint mill to utilize the power so developed. The properties are advantageously located on tidewater so that the output can be shipped at low cost to the U.S. markets.

"I know of no country in the world where a man can become an independent farmer in a fewer number of years than Western Canada," stated the Right Hon. L. C. M. S. Amery, M.P., Secretary of State for the Dominions.

"Among Those Present"

Those Attending Convention Came from All Over America and Europe

Among those who registered at the annual meeting of the Canadian Pulp and Paper were included the following:

Adams, D. L., Wayagamack Pulp & Paper Co., Ltd.
Andrews, F. H., St. Maurice Valley Corporation, Shawinigan Falls.
Atkinson, W. S., H. Atkinson, Ltd., Pont Etchemin, Que.
Adams, R. B., Stowe & Woodward Co., Newton Upper Falls, Mass.
Arbo, C. C., 522 Drummond Bldg., Montreal.
Arnoldi, F. F., Can. Paperboard Co., Ltd., Montreal.
Bearce, Geo. D., International Paper Company, New York.
Baker, R. S., Riordon Pulp Corp., Temiskaming, Que.
Bain, J. W., University of Toronto.
Blanchard, S. W., E. B. Eddy Co., Ottawa.
Buncke, H. J., Abitibi P. & P. Co., Ltd., Iroquois Falls, Ont.
Bates, Harry E., Laurentide Co., Ltd., Grand'Mere, Que.
Branch, B., Link Belt Ltd., and Waterous Ltd., Toronto.
Baldwin, W. C., E. B. Eddy Co., Ltd., Hull, Que.
Bay, Dr. Chr., Canadian International Paper Co.
Beedy, Howard E., Nashwaak P. & P. Co., 200 Fifth Ave., New York.
Bates, J. S., Price Bros. & Co., Ltd., Quebec.
Bulmer, F. M. R., Div. Industrial Hygiene, Ont. Dept. of Health.
Bidnell, H., Price Bros & Co., Ltd.
Bond, S. B., Bathurst Co., Ltd., Bathurst, N.B.
Belanger, R., Quebec P. & P. Co., Chicoutimi, Que.
Baker, A. B., Texas Gulf Sulphur Co., New York.
Brown, W. E., America Wringer Co., Farnham, Que.
Brace, G. A., Ferranti Electric Ltd., Toronto.
Bridge, G. H., Anglo-Can. P. & P. Co., Quebec.
Cornell, John, Paper Mill, New York.
Costigane, A. P., Toronto.
Cowan, H. W., Toronto.
Curtis, F. T., Merrinec Chemical Co., Boston, Mass.
Copping, A. B., International Co. of Newfoundland, Corner Brook, Nfld.
Crabtree, D., 49 Parkside, Montreal West.
Cronkhite, W. N., Gen. Electric Co., Schenectady, N.Y.
Cameron, E. P., Forest Products Labs., Montreal.
Charles, L. E., Can. Vegetable Parchment Co., Merritton.
Carroll, R. C., Garden City Paper Mills, St. Catharines, Ont.
Campbell, W. Boyd, Forest Products Labs., Montreal.
Calvert, D. G., Fort William Paper Co., Fort William.
Collins, R., Wayagamack P. & P. Co., Three Rivers.
Couture, A. Papineau, Montreal.
Cable, Donald K., Oxford Paper Co., Brooklyn, N.Y.
Candee, C. Newton, Lincoln P. & P. Co., Merritton, Ont.
Crossley, T. L., Industrial Laboratories Ltd., Toronto.
Campbell, Roy, Canadian International Paper Co., 1155 Beaver Hall Sq., Montreal.
Cunningham, J. C., Industrial Div., Ont. Dept. of Health, Toronto.
DeCarteret, S. L., Hammermill Paper Co., Quebec, Que.
Dunbar, T. L., Can. Stablins Eng. Co., Drummond Bldg., Montreal.
Emery, D. J., Price Bros. & Co., Ltd., Riverbend.
Finlay, John E., Ritchie & Ramsay, Toronto.
Fowler, G. M., Laurentide Co., Ltd., Grand'Mere, Que.
Grinstad, Brompton P. & P., Co., East Angus, Que.
Gray, B., Can. International Paper Co., Temiskaming, Que.
Gain, C. Nelson, Interlake Tissue Mills Co., Ltd., Merritton.
Graham, G. P., Howard Smith Paper Mills, Cornwall.
Hill, R. P., Pulp Bleaching Corporation, 39 Cortlandt St., New York.
Hurtubis, C. W., Hammermill Paper Co., Erie, Pa.
Hamilton, R. J., Wayagamack P. & P. Co., Ltd., Three Rivers, Que.
Henderson, G., Wayagamack P. & P. Co., Ltd., Three Rivers, Que.
Hussey, W. J., Spanish River P. & P. Co., Ltd., Espanola, Ont.
Hill, H. S., Research Sec. Can. Pulp & Paper Assn., McGill University, Montreal.
Haskins, G. W., Drying Systems Inc., 1800 Foster Ave., Chicago.
Heuser, Dr. Emil, Can. International Paper Co., Hawkesbury.
Hawkins, C. S. V., Price Bros. & Co., Ltd., Riverbend, Que.
Holmsted, E. S., American Wringer Co., Farnham, Que.
Hanrahan, J. A., Gulf P. & P. Co., Quebec.
Irvine, C. C., Manitoba Paper Co., Ltd., Pine Falls, Man.
Johnsen, Bjarne, Hammermill Paper Co., Erie, Pa.
Jenssen, J. D., 200 5th Avenue, New York.
Jacques, A. G., Brompton P. & P. Co., East Angus, Que.
Johnston, H. W., McGill University, Montreal.
Johnston, J. G., The Financial Post, Toronto.
Kent, H. F. E., W. J. Gage & Company, Toronto.
Keltie, G., American Wringer Co., Inc., Woonsocket, R.I.
Ketchen, W. L., B.C. Pulp & Paper Co., Ltd., Port Alice, B.C.
Keenan, T. J., The Paper Industry, New York.
Keay, H. O., Laurentide Co., Ltd., Grand'Mere, Que.
Kraft, N. F., Can. International Paper Co., Temiskaming, Que.
Karberg, H. E., Lincoln P. & P., Co., Merritton, Ont.
Kidd, W. S., E. B. Eddy Co., Ltd., Hull.
Leeper, R. W., Can. General Electric, Toronto.
Lippitt, Herbert, International Paper Co., Ltd., 100 East 42nd St., New York.
Latter, H. H., Johnson Wire Works, Montreal.
Lindberg, E., Dominion Paper Co., Kingsey, Que.
Lindbom, E., Bonaventure P. & P. Co., Chandler, Que.
Lafontaine, G. H., Bennett Ltd., Montreal.
MacDiarmid, A. A., Price Bros. & Co., Ltd., Quebec.
MacNaughton, W. G., Newsprint Service Bureau, New York.
MacLaurin, J. C., Riordon Pulp Corporation, Temiskaming, Que.
McKee, Geo. M., St. Maurice Valley Corporation, Montreal.
McNichols, A. S., Que. P. & P., Corporation, Chicoutimi.
McConnel, F. S., Forest Products Labs., Montreal.
Montabone, A. J. F., Donnacona Paper Co., Donnacona.
Moyle, C. A., Can. International Paper Co., Hawkesbury, Ont
Mitchell, F. L., Abitibi P. & P., Co., Iroquois Falls, Ont.
Morey, H. A., Spanish River P. & P. Mills, Sault Ste. Marie.
Meerbergen, G., International Power & Paper Co., of Nfld., Corner Brook, Newfoundland.
Mitchell, W. G., Price Bros. & Co., Quebec.
Mosher, W. D., St. Maurice Valley Corp., Belgo Div., Shawinigan Falls, Que.
Mereweather, C. R., Can. International Paper Co., Ottawa.
Natwick, A. G., Lincoln P. & P. Co., Merritton, Ont.
Norriss, C. A., Can. Paperboard Co., Montreal.
MacNaughton, A. I., Canada Paper Co., Windsor Mills.
Medbury, C. F., Westinghouse Co., Montreal.
McNulty, C. N., Texas Gulf Sulphur Co., New York.
Munro, Wm. C., Can. Iron Foundries Ltd., Montreal.
Porter, O. M., American Paper & Pulp Assn., New York.
Pauline, G. W., Ritchie & Ramsay, Ltd., Toronto.
Pincott, G. S., Anglo-Can., P. & P. Co., Quebec.
Parmelee, E. H. Ferranti Elec., Ltd., Montreal.
Patterson, J. E., Abitibi Power & Paper Co., Ltd., Iroquois Falls.
Pyke, E. M. Wayagamack P. & P. Co., Ltd., Three Rivers.
Panzl, P., St. Maurice Valley Corp. (Belgo) Shawinigan Falls, Que.
Payne, J. M., Forest Prod. Labs., Montreal.
Parson, J. L., Hammermill Paper Co., Erie, Pa.
Pidgeon, L. M., Cellulose Chem. Dept., McGill, Montreal.
Quaal, A. E., Donnacona Paper Co., Donnacona, Que.
Reid, C. de W., Western Quebec Paper Mills, St. Andrew East, P.Q.
Richter, A. F., Stebbins Eng. & Mfg. Co., Watertown, N.Y.
Ritchie, F. L, Wayagamack P. & P. Co., Three Rivers, Que.
Ross, J. H., Forest Prods. Labs., of Canada, Montreal.
Rowley, H. J., McGill University, Montreal.
Robertson, D. F., Can. Paperboard Co., Ltd., Montreal.
MacRae, G. F., Montreal.
Stadler, J., Lake St. John Power & Paper Co., Dolbeau, Que.
Stewart, A. L., Bailey Meter Co., St. Antoine St., Montreal.
Stephenson, J. N., Pulp & Paper Magazine, Gardenvale.
Smith, M. L., Newsprint Service Bureau, New York.
St. Martin, N., Zilina Wood Pulp Co., Czechoslovakia.
Tomkins, J., Can. International Paper Co., Hawkesbury.
Traquair, John, Mead P. & P. Co., Chillicothe, Ohio.
Thue, Jens, Can. International Paper Co., Hawkesbury.
Tucker, E. F., Con. Stebens Eng. & Mfg. Co., 609 Drummond Bldg., Montreal.
Tatley, L. D., Laurentide Co., Ltd., Grand'Mere, Que.
Thomson, Rielle., The Financial Post, Montreal.
Taylor, C. S., Ritchie & Ramsay, Ltd., Toronto.
Taylor, J. Ellis, Howard Smith Paper Mills, Cornwall, Ont.
Vrooman, H. W., Bennett Ltd., Chambly Canton, Que.
Wemple, H. R., Texas Gulf Sulphur Co., New York.
Wright, A., Filtration Engineers Inc., Newark, N. J.
Weller, H. W., Babcock, Wilcox & Goldie, McCulloch, Galt, Ont.
Walsh, C. E., Canada Paper Co., Windsor Mills, Que.
Whitten, C. E., Can. Paperboard Co., Montreal.
Wang, S., Can. International Paper Co., Hawkesbury.
Waters, B. J., Spanish River P. & P. Mills, Ltd., Sault Ste. Marie, Ont.
Wardle, E. B., Laurentide Co., Ltd., Grand'Mere, Que.
Wilson, E. P., Brompton P. & P. Co., East Angus, Que.
Whitehead, C. R., Wayagamack P. & P. Co., Ltd., Three Rivers.
Walton, J. M., Riordon Pulp Corp., Temiskaming, Que.
Ware, G. A., Newsprint Service Bureau, New York.
Wiede, Kenneth A., Montreal.

Newspaper of To-day Not Perfect But Moves Ahead to Better Goal

Throughout the Dominion the abilities of J. W. Dafoe, editor of the Manitoba Free Press, are widely recognized. He is perhaps the leading journalistic figure in Canada to-day. Hence the Canadian Pulp and Paper Association made sure of obtaining a thoughtful, informative and, equally important, and interesting address when they selected him as the chief speaker at the president's dinner, the premier gathering of the convention.

Mr. Dafoe said in part:

"Newspaper publishing as a business, is new; the ethics and principles by which it must live are only now defining themselves—mostly by the method of trial and error. One principle which is clearly emerging is that the newspaper business will not function as a donkey engine for any other business. Newspapers are complex and fragile institutions; they have to be entrusted to trained executives; and it is the prime duty of those executives if the occasion arises to advise the proprietorial interests, where they are external to the management, that they must regard the property if they wish to preserve it, as an investment and not as an instrument of power. No machine goes into the ditch quicker or makes a more complete smash than a newspaper when the driving is from the back seat.

"These developments, which have attended the commercializing of the newspaper with the concentration of power in the hands of those who have to earn dividends upon the capital invested, has been very disconcerting to many people who found the old style dependent newspaper more to their liking.

Dependent on Public

"The newspaper press to-day is no doubt not what it ought to be; but then none of us are. More than any other business in the world it is dependent upon the reaction of the public to its opinions, methods and performance; it, therefore, cannot rise much above the average of its constituency. It sometimes falls below the average, putting too low an estimate on the intelligence of its readers. But the commercialized newspaper of to-day has some very solid virtues to offset some obvious and regrettable deficiencies.

"Underneath all the flub-a-dub, the ballyhoo, the attempt to entertain elements in the population whose prime requirement in the matter of entertainment is that no strain be imposed on the intellect—there lies the real newspaper, better than ever, with a wider news service, more impartial in its reporting, more tolerant in its judgments, more concerned to serve the community. This, I will maintain against all the critics. The ethics of publishing all the major news, regardless of whom it hits, is of recent growth, but it has become already a tradition in every newspaper office in Canada. Our standard news service is collected by a co-operative agency representative of every daily newspaper in Canada, and therefore of all points of view; and it is published without coloration or mutilation by every newspaper receiving it. Our newspapers give to their readers, if they will take the trouble to read what is given them, a compendious and competent report of what is going on in their own country and throughout the world, in every field of activity, achievement and discussion. This is a function inherent in the newspaper which it can never disavow, and it never was discharged as disinterestedly and intelligently as it is to-day.

"Of the newspaper as a public utility, a market-place, an agency for doing business, I shall not speak, its merits in this respect must be obvious to business men. And so, as a maker of newspapers on the modern specifications, on my own behalf, and on behalf of my colleagues of the Canadian press, I make no apologies for the newspaper of to-day. I say that, by and large, it is a useful and dependable institution; in so far as the makers of newsprint are responsible for aiding in bringing it into existence—they can feel with justice that they have reinforced one of the influences of civilization. But, of course, there is nothing static in the conditions of newspaper publishing. The processes of evolution will go on to new and higher achievements. We make the newspaper of to-day as good, we hope, as conditions will permit; and in the language of another new and developing business—when better newspapers are to be made, we shall make them."

USE JOLIETTE STEEL CASTINGS

One of the 12'6" rings for New Type Drum Barkers being manufactured in our plant for William Hamilton Limited, Peterboro, Ontario.

We specialize in the manufacture of steel and alloy castings of every design for **Pulp and Paper Machine Builders** as well as for repair castings for Paper Mills. May we receive your inquiries?

Our "Joliette-Orbit" Steel will give greater resistance to shock while our "Joliette-Tisco" Manganese Steel will give maximum resistance to abrasive wear.

JOLIETTE STEEL LIMITED
JOLIETTE, P.Q.

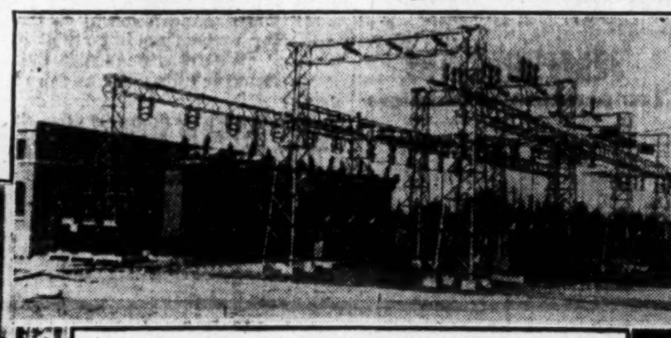
Pulp and Paper Securities

Our long and active connection with the development of the Canadian pulp and paper industry has enabled us to accumulate very comprehensive information regarding the industry and the securities of individual companies.

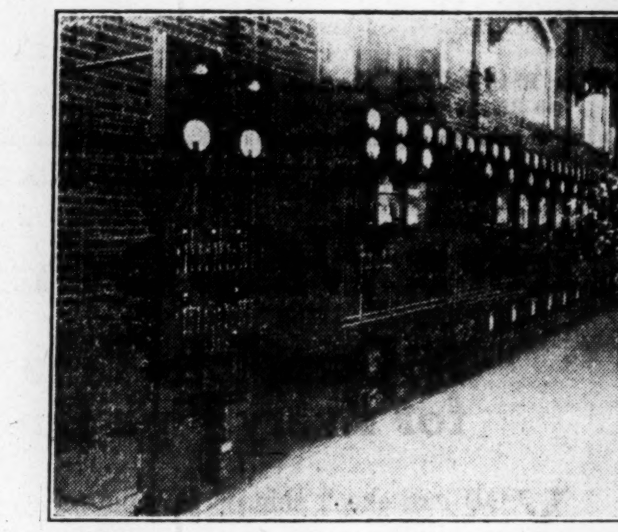
To present and prospective investors, we offer exceptional facilities for supplying market quotations, information and advice.

Royal Securities Corporation
Limited
164 St. James Street, Montreal
Toronto Halifax Saint John Quebec Winnipeg
Vancouver New York Charlottetown Ottawa
Hamilton Calgary Regina Victoria St. John's, Nfld.

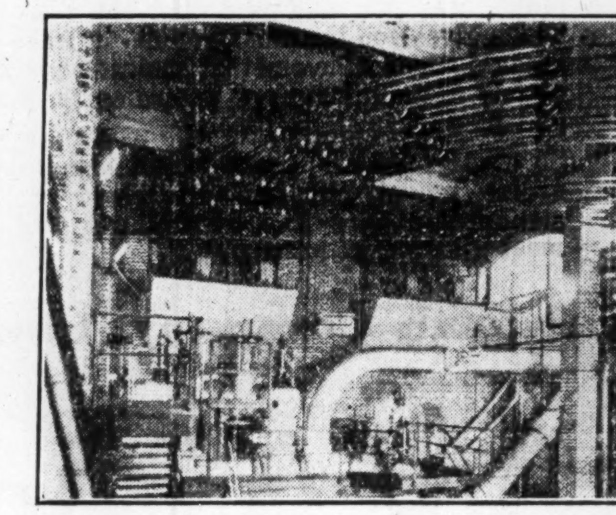
ELECTRICAL CONSTRUCTION



110,000 volt outdoor sub-station. All electrical construction work was performed by Canadian Comstock.



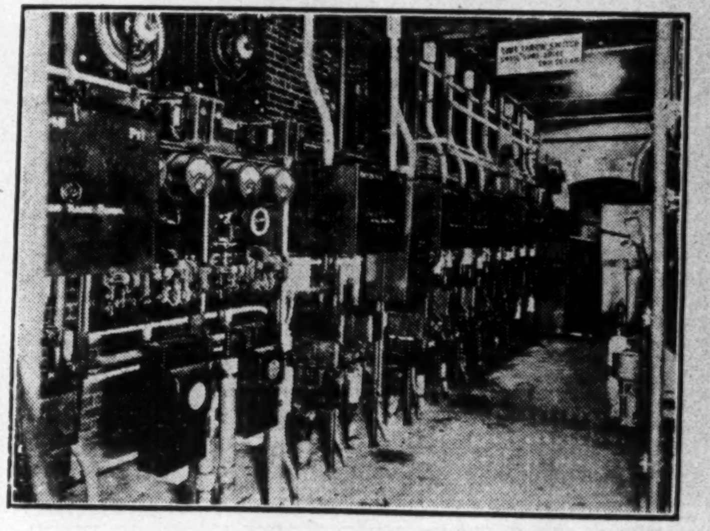
Above: Main control switchboard, controlling 6,600 volt indoor switching and 110,000 volt outdoor switching. Below: 2½ inch extra heavy copper tubing feeding 6,600 volt 42,000 k.v.a. electric boilers.



ACHIEVEMENT SPEAKS

It is increasingly evident that any electrical installation job may be entrusted to this company with the full confidence that it will be carried through to a thorough and successful finish.

Above: Oil circuit breakers controlling 13 200 volt feeder distribution. Below: Typical installation of remote control for 2,200 volt motor distribution.



CANADIAN COMSTOCK COMPANY LIMITED
New Birks Building: MONTREAL
331 Bay Street: TORONTO

Building of Institute for Paper Research is Unique in Canada

Edifice Which is Now Practically Completed Will Provide Accommodation and Facilities for Research Work Bearing on All Problems of Industry

The erection of the Pulp and Paper Research Institute can be classed as an event unique in Canada, for no other industry in the Dominion has taken the keen interest in scientific research as that shown by the Pulp and Paper Association. Moreover, while there are industries that realize that the chemist or the engineer, by what may be termed applied research, can solve their individual problems, there are few industrialists who realize the importance of pure research such as will form part of the activities of the new institute now nearing completion.

The difference between pure research and applied research is analogous to the difference between a dividend paying investment and bread cast upon the waters. 'Leaders in the pulp and paper industry are far-seeing enough to know that it is only by pure research that the real advances in industry are made. It is certain that Newton's experiments were not made to yield dividends or that Lord Kelvin's discoveries were not made with a view to erecting a hydro electric plant.

Problems of Industry

The Pulp and Paper Research Institute is intended primarily, to provide accommodation and facilities for research bearing on the problems of the pulp and paper industry as conducted in co-operation by the Departments of Industrial and Cellulose Chemistry McGill University, the pulp and paper division of the Forest Products Laboratories of Canada, and such research workers as the Association may establish. Incidentally it will provide headquarters, also, for the Canadian Pulp and Paper Association and its varied activities. The Institute was born of a desire upon the part of the industry to further scientific and industrial research, particularly in the field of cellulose chemistry, and to secure the training of men to carry on this work.

The Chair of Industrial and Cellulose Chemistry of McGill University was instituted two years ago. It owes its existence principally to the beneficence of the late Mrs. E. B. Eddy, of Hull, Quebec, whose husband was one of the pioneers and later one of the leaders in the development of papermaking in Canada. Mrs. Eddy bequeathed to McGill University the sum of $200,000 which has been applied to the establishment and maintenance of the chair. The revenue derived from the bequest has been augmented by grants from the University and from the Canadian Pulp and Paper Association. The occupant of the chair is Prof. Harold Hibbert, D.Sc., Ph.D.

The paper and pulp division of the Forest Products Laboratories has been in existence for some thirteen years. Its principal function is to carry on industrial and chemical research in pulp and paper. It was instituted, and is governed and controlled, by the Dominion government. Through its research section, the Canadian pulp and paper association contributes to the support of the division and also shares in the selection of the staff and in the direction of the work carried on. E. P. Cameron is the director in charge.

The building, now practically completed, is being erected from the proceeds of an issue of bonds taken up by members of the Canadian Pulp and Paper Association. The total cost, including equipment, will be not less than $250,000. The bond issue will, in addition, provide for an endowment of $100,000 to McGill University to provide in part for the building's upkeep and maintenance. The building will eventually become the property of McGill University.

The construction of the building is a result of the activities of the research section of the association, consisting of: Col. C. H. L. Jones, chairman, Spanish River Pulp and Paper Mills, Limited, Sault Ste. Marie, Ont.; Dr. J. S. Bates, Price Bros. & Co., Limited, Quebec, Que.; O. F. Bryant, Nashwaak Pulp & Paper Company, Limited, Saint John, N.B.: R. W. Hovey, Nashwaak Pulp and Paper Company, Ltd., Saint John, N.B.; R. A. McInnis, Anglo-Canadian Pulp and Paper Company Limited, Quebec, Que.: W. G. Mitchell, Price Bros., and Company, Limited, Quebec, Que.; Jean Rolland, Rolland Paper Company Limited, St. Jerome, Que.; F. A. Sabbaton, Laurentide Company, Limited, Grand 'Mere, Que.

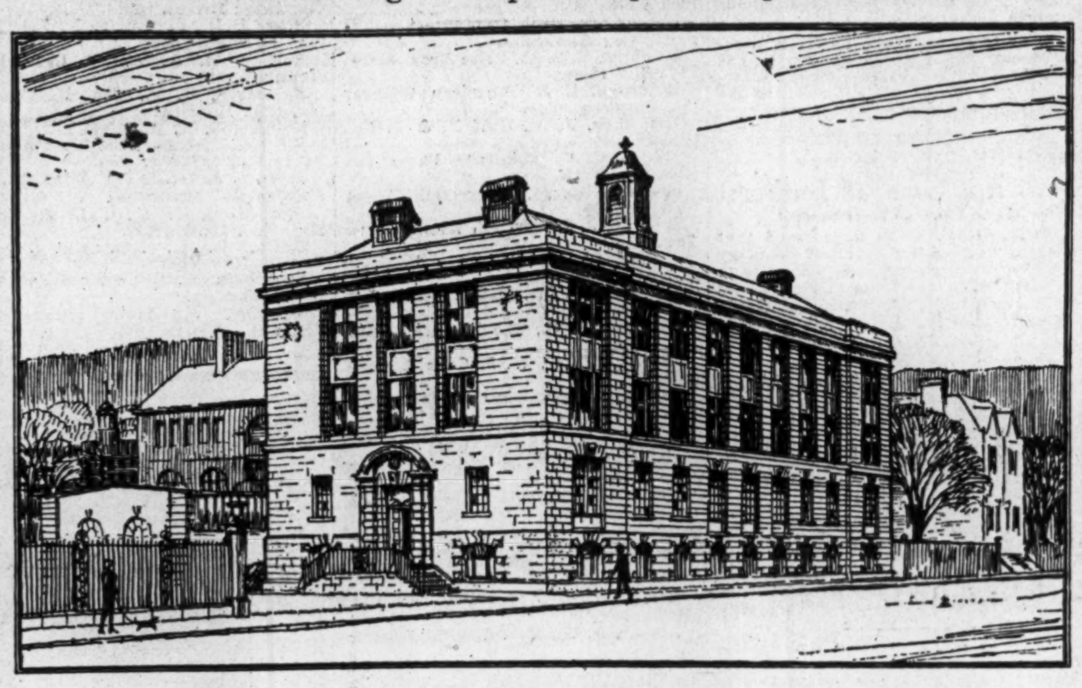
The Building Committee responsible for the financial program consists of Messrs. L. R. Wilson, chairman; George Chahoon, Jr., C. H. L. Jones, C. Howard Smith, I. H. Weldon, J. B. White, J. L. Apedaile, George M. McKee; and Edward Beck, secretary.

The building operations are being carried on under the supervision of the Canadian Pulp and Paper Research Corporation, in which Messrs. L. R. Wilson, George M. McKee, C. Howard Smith, Carl Riordon, and Edward Beck represent the association, and John W. Ross represents the University.

Messrs. Nobbs & Hyde, of Montreal, are the architects.

E. G. M. Cape & Company, of Montreal, are the general contractors.

New Building for Pulp and Paper Headquarters



This structure, now going up in Montreal, will house a forestry research laboratory as well as the head office of the Canadian Pulp and Paper Association.

WOODS PROBLEMS ARE GIVEN STUDY BY ACTIVE BRANCH

Woodlands Department Engages Competent Engineer to Carry Out Research Work

Last January this section through its retiring chairman asked the association for an appropriation of $6,000, in order that it might engage the full time services of a competent logging engineer, to carry on research work in connection with woods operations. The appropriation was granted, and the history of our section during 1927 has been largely concerned with the engagement of a logging engineer, and the commencement of his activities.

Our executive committee let it be known that the services of a well qualified man were required for this position, and within a couple of months we had an opportunity of considering more than fifty applications from foresters and engineers from various sections of Canada and the United States. After careful consideration and enquiry the committee was unanimous in the opinion that Alexander M. Koroleff was best qualified to do the work which we had in mind, and he was engaged, and reported for work on June 1st.

Mr. Koroleff spent June and July in visiting as many of the members as time permitted in order not only to get acquainted with the men with whom he was to work, but also to get as general an idea as he could of the problems in which our members were most interested, and the varying conditions which existed in different sections of eastern Canada. After spending more than two months in familiarizing himself with the field of activity, Mr. Koroleff met with members of the executive, and plans were made for commencing the study of certain specific problems. Mr. Koroleff will make a report of his own covering the progress which he has made, so that I shall not attempt to review this work at this time.

I wish, however, to point out that the problems which the committee and Mr. Koroleff chose to start on were selected because they were common to most of the companies in the industry, and because they were considered to be of major importance. It is unfortunate that many months, and in some cases years, may be required to arrive at valuable and intelligent conclusions with regard to some of these problems, but the committee felt it more important to study matters of real consequence than to arrange a program which would show quick results but perhaps little real value. We feel that we have made no mistake in choosing Mr. Koroleff as our logging engineer, and it is gratifying to know that a very large proportion of the members of the section seem sincerely interested in close co-operation. We have a few members who apparently wish to take no part in the affairs of the section, but the frank lack of interest on the part of two or three is more than made up by the helpful backing of the balance of our membership.

Last August Price Brothers and Company were hosts to nearly thirty members of the section in and about their operations in the Lake St. John area. The trip was a most instructive and enjoyable one, and far more elaborate than that of any preceding summer meeting. The members of the staff of Price Brothers set so high a standard of hospitality that so far no one has dared offer to instruct, entertain and quench the thirst of the section during the summer of 1928.

We started the year 1927 with a balance carried over from 1926 of $4,888.44 to which was added an appropriation of $6,000. We closed the year 1927 with a credit balance of $4,820.33. It must be borne in mind, however, that the expenses of 1927 were practically all incurred during the last seven months. Assuming that our expenses will be on about the same basis this year we ask for an appropriation of $4,000 in addition to our present surplus.

We have undertaken a big program, which we are confident will mean much to the industry; we have little to report for 1927 except that a beginning has been made, but we hope for something more definite in the way of accomplishment during 1928. We not only ask for your financial support to the extent of $4,000, but even more important, we solicit your interest and co-operation in the work which we are trying to accomplish.

—W. McE. BOWDEN, Chairman.

A large increase on the Pacific coast is recorded in the catch of herring, [illegible]190,800 pounds being taken during the month under review, as compared with 36,852,700 pounds during the preceding December. A large proportion of the above catch was dry-salted for the Oriental trade.

Mechanical Equipment Company

10 Cathcart St., Montreal
Direct Factory Distributors for Eastern Canada of

American Schaefer & Budenberg Corp.
Safety and Water Relief Valves
Indicating and Recording Gauges, Thermometers and Tachometers
Engine Indicators
Calorimeters
Gauge Testers
Honeco Temperature Controllers, etc.

Canadian Durabla Ltd.
Packing-Gauge Glasses
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The Canadian Kellogg Co., Ltd.
Radial Brick Chimneys

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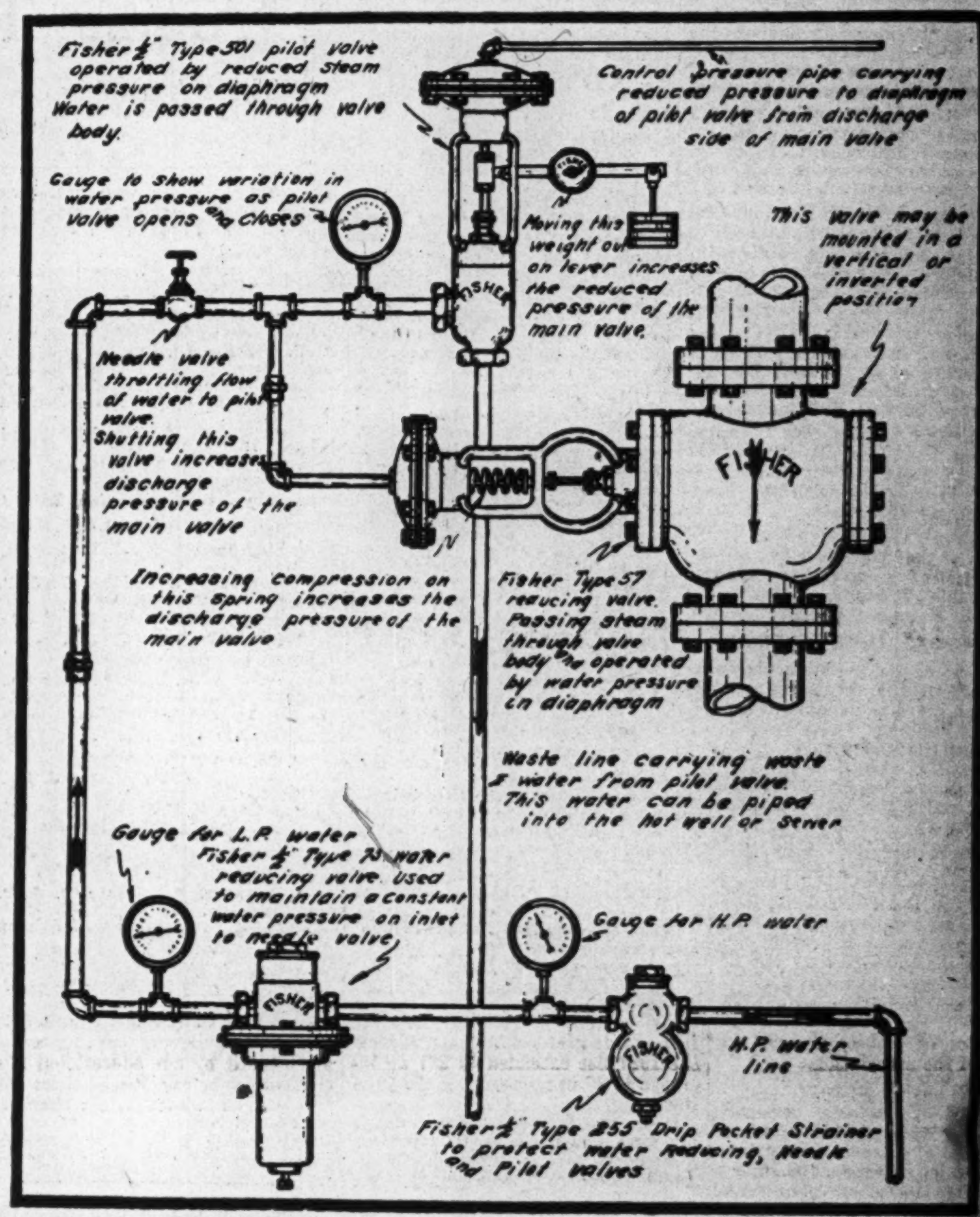
MECHANICAL EQUIPMENT COMPANY

M. V. Cordell, *President* — 10 Cathcart St. Montreal — C. B. Drummond, *Vice-President*

Highest Grade Materials for the Power Plant



Typical Installation of a Fisher Pilot—Valve Controlled Pressure Regulator for extremely close regulation such as is required on digester lines, etc.

Distributors for Eastern Canada—Mechanical Equipment Co., 10 Cathcart St., Montreal
Distributors for Western Canada—Fleck Bros., Vancouver

The Fisher Governor Company
MARSHALLTOWN, IOWA, U.S.A.

Mechanical Equipment Company

10 Cathcart St., Montreal
Direct Factory Distributors for Eastern Canada of

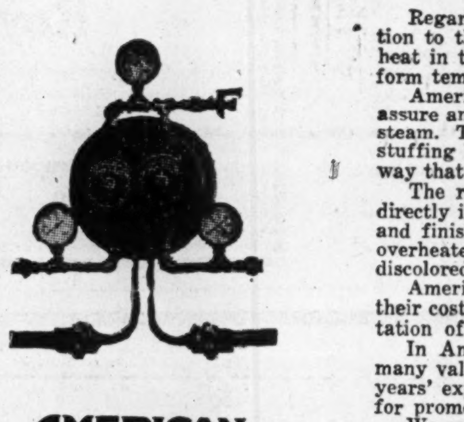
The Fisher Governor Co.
Pump Governors
Reducing Valves
Back Pressure Valves
Exhaust, Relief and Float Valves
Steam and Grease Traps
Strainers, etc.

Naylor Spiral Pipe Co.
Spiral Lock Seam Pipe and Flanges

Walworth Company, Limited
Power Piping
Sigma Steel Valves and Fittings
Pipe Tools

International Malleable Iron Co., Ltd.
Cast Iron and Malleable Screwed and Flange Fittings
Malleable Castings, etc.

Controlled Calender Heat and Paper Quality



AMERICAN Temperature Controllers

Regardless of variation in steam pressure and interruption to the normal operation of the paper machines, the heat in the calender rolls is always maintained at a uniform temperature.

American (formerly Honeco) Temperature Controllers assure an absolutely uniform temperature to the incoming steam. The bulb of the controller is installed through a stuffing box in the end of the calender journal in such a way that it remains stationary while the calender rotates.

The result of this careful temperature control shows directly in the quality of the paper. Uniformity of quality and finish are always assured. The rolls cannot become overheated and therefore the paper is never scorched or discolored.

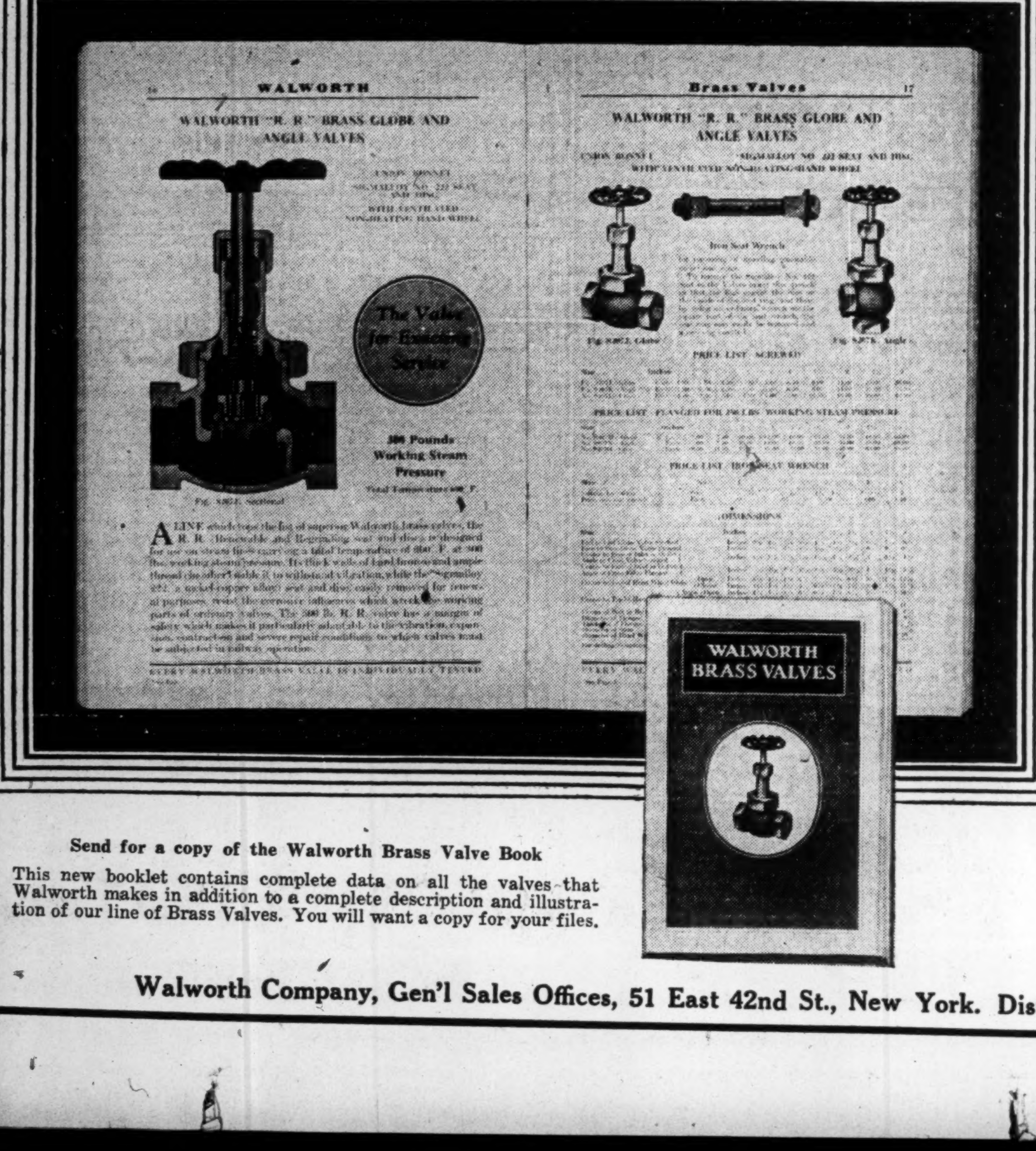
American Temperature Controllers save many times their cost in a few months and give you the enviable reputation of always supplying a uniform quality of paper.

In American Temperature Controllers will be found many valuable exclusive features that are the result of 76 years' experience in manufacturing scientific instruments for promoting industrial efficiency.

We are prepared to prescribe for your needs and guarantee results. Write for Catalog 2500.

AMERICAN SCHAEFFER & BUDENBERG CORP.
338 BERRY STREET, BROOKLYN, N. Y.

Direct Factory Representatives:
—for Eastern Canada: MECHANICAL EQUIPMENT CO. 415 New Birks Building, Montreal
—for Middle Western Canada: KIPP-KELLY Ltd., 68 Higgins Ave., Winnipeg



Send for a copy of the Walworth Brass Valve Book

This new booklet contains complete data on all the valves that Walworth makes in addition to a complete description and illustration of our line of Brass Valves. You will want a copy for your files.

Where Walworth goes, trouble STOPS!

A Complete Line of Valves and Fittings for Every Pipe Line of Power and Industry

YOU can check this up in your own plant any time. Just count the number of different makes of valves and fittings on your power, pulp, water and acid lines. In most cases you will find that the pipe line which gives you the most trouble, in leaks and break-downs, is the one that shows the greatest variety of manufacturers' names on the valves and fittings.

So we say, from 80 years' experience, "Standardize by all means, and when you do, standardize on a line of products that will meet **all** your requirements."

Walworth offers you a complete line of valves and fittings that are in standard dimensions from standard patterns by methods and tests which produce one standard of quality.

Many of the largest industrial and power plants have found that a specification of "Walworth throughout" is the most effective way to put a stop to trouble and cut down on replacement costs. Walworth valves and fittings were furnished "throughout" as steam power plant equipment for the Port Alfred Pulp and Paper Corporation.

Walworth Company, Limited, 10 Cathcart St., Montreal P. Q.

WALWORTH
VALVES, FITTINGS AND TOOLS
for STEAM, WATER, GAS, OIL AND AIR

Walworth Company, Gen'l Sales Offices, 51 East 42nd St., New York. Distributors in Principal Cities of the World. Walworth International Co., New York, Foreign Representative.

Canada Predominates In Newsprint Output

Dominion Retains World's Leadership — Daily Papers in U.S. Show Substantial Circulation Gains—Newspaper Advertising Has Good Outlook for 1928

Production and consumption of newsprint paper in North America in 1927 equalled but only slightly exceeded the high record made in 1926. However, there was a great regional shift in production, says the Newsprint Service Bureau.

To a total continental output of [illegible] tons, Canada contributed 56 per cent., the United States 39 per cent., and Newfoundland 5 per cent. Canadian production of 2,087,000 tons was 11 per cent. more than in 1926, United States production of 1,485,000 tons was 12 per cent. under 1926, the Newfoundland output of [illegible] tons was 16,000 tons over the previous year, and Mexico's contribution to the continental total was 14,000 tons. Canada attained world leadership in newsprint with a production of 196,000 tons in excess of the United States in 1926, but this lead was increased to 600,000 tons in 1927. The Canadian increase of [illegible] tons in 1927 balanced a decrease of equal amount in the United States, so that the total supply for the two countries was not changed.

Export Trade

According to government reports, 85 per cent. of the newsprint made in Canada in 1927 was shipped to United States publishers and 6 per cent. overseas. United States exports of newsprint amounted to only 12,000 tons last year. Of the Newfoundland shipments, 88,000 tons came to the United States and the balance went overseas. In addition to these sources, the newspapers in the United States also received 121,000 tons of paper from Europe in 1927, chiefly from Scandinavia.

Since 1920 a total of slightly more than 1,000,000 tons of newsprint has come into the United States from Europe, of which Sweden supplied 41 per cent., Germany 22 per cent., Finland 21 per cent. and Norway 13 per cent.

Newsdealers still show substantial circulation gains in the United States, the increase in 1927 being about 5 per cent. According to figures compiled by Editor and Publisher from reports to the government for the six months ended September 30th, daily newspapers had a circulation of nearly 38,000,000 copies and Sunday issues in excess of 25,000,000 copies. Daily papers of more than 100,000 circulation averaged 30 pages each in 1927, as in 1926, but Sunday issues averaged 107 pages compared with 111 pages in 1926 and 109 pages in 1925. Sunday papers seem to have passed their maximum size and neither are their circulations increasing so rapidly as those of the dailies.

New Advertising Record

Newspaper advertising in 1927 was 4 per cent. under 1926, but in greater volume than in any other year. There is reasonable basis for the belief that 1928 will set new advertising records for the dailies and perhaps for the newspaper business as a whole. During the first part of January the automobile newspaper advertising in New York City was 24 per cent. greater than in the same period of 1926. In Montreal at the same time the automobile advertising lineage doubled over the previous year.

In the nine years from 1919 to 1927 inclusive, 82 new machines, with a capacity of 6,700 tons daily, were added to the North American newsprint industry. These new machines, together with increased efficiencies of older machines, constituted a doubling of industry capacity during this period. At this time there is a capacity in round numbers of 700 tons daily in Newfoundland, 5,600 tons in the United States and 8,700 tons in Canada, a total of 15,000 tons daily. There are also additional machines with a total capacity of some 1,500 tons in various stages of construction and installation, all of which, according to present plans, will be ready to operate before the fall of 1928.

Forestry Association Has Encouraging Year

Fire Prevention Has Been Carried Out to Fullest Limit and Much Effectiveness Gained Through Series of Lectures from Vancouver to Cape Breton

Canada has the largest forestry association in the world. A fact which indicates only that the Dominion is more dependent on her forests than any other country. The Canadian Forestry Association held its annual meeting at the same time as the Canadian Pulp and Paper Association as the aims and objectives of both groups are practically identical. The strides which the association has made and its present position are fully dealt with in the annual report of Robson Black, the manager of the association.

The report reads in part:

The year 1927 has been characterized by a steady advance in all branches of our activity. The established policy of focussing the fullest effort on forest fire prevention has been carried out to the limit of our financial strength. The aim of the staff has been to eliminate any form of educational work which experience has shown to be second-best and to devote every energy to a few enterprises giving maximum results. Small in numbers as is the staff of the association it has nevertheless been able to enlist a great army of co-workers, in all parts of the Dominion and to utilize their willing services in the spread of conservation propaganda. Schools, associations, clubs and other organized groups have joined forces with the association to an unprecedented extent and have multiplied the range and effect of the measures we have initiated.

Our name and the character of our mission have become known throughout the Dominion as never before. Each year establishes us more firmly in public confidence and adds greatly to public appreciation of the urgency of forest maintenance. Tangible acknowledgment of our usefulness is found in the financial backing of the pulp and paper industry, the heavy addition of mercantile supporters, themselves non-timber owners and the manner in which the British Columbia Branch after two years of hard struggle has won to its side the approval and aid of government, wood industries and the general public.

Disheartening Market Conditions

It is not difficult to understand the hesitancy of many of the lumber companies, in view of disheartening market conditions, in making their grants commensurate with the business service rendered by the association in actual fire prevention, although we believe that the association's support should constitute as fair a charge against timber ownership as the fire ranging tax which is paid regardless of temporary markets. The pulp and paper industry, none too cheerful over the business outlook of 1927 increased their support from $23,434 in 1926 to $31,990 in 1927, an addition of $7,556. We have to acknowledge also the fine help given us by the United States holders of timberlands in the Dominion, which during the year amounted to $5,250.

We have received statements from pulp and paper and lumber companies indicating their keen satisfaction with expenditures made on educational propaganda. One such company, with large timber holdings, declares that in the past five years the population affecting their fire hazard has virtually changed over from indifference or hostility to friendly and alert co-operation in preventing fire damage, and that this welcome development is due chiefly to the campaigns waged by the Canadian Forestry Association. Another company asserts that for the first time in their experience, incipient fires have been not only reported but extinguished by the voluntary action of settlers and their families and that nothing but educational work directed to these same settlers for several years past could be responsible for the altered attitude. Such evidence of practical results comes to us from every part of the Dominion and furnishes an incentive to broaden and intensify our field campaigns, and all other forms of constructive propaganda.

We have had great encouragement also from mercantile firms, which although owning no timber, have come to identify a permanent timber supply with permanent national trade. While in 1926 about 150 mercantile firms made grants to the association, the 1927 list extended to 237 an increase of 87 in number and $3,652 in revenue.

It is obvious that as experience in our specialized field of education contributes to our knowledge of effective methods, our expansion necessarily is governed by income. Having no endowment, and with relatively small grants from several of the governments, each project must submit itself to a shrewd and critical court of practical business men upon whom we rely for means of financing. There are peculiar virtues in this constant examination of our enterprises by men and companies having a direct stake in the success of our work. The economy of education patrol as a partner of ranger patrol is certain to impress itself still more emphatically as time goes on. The fire-stopping power of public education has not yet received its proper recognition.

Lecture Tours

Much of the effectiveness of the Canadian Forestry Association is gained through the series of lecture tours. By equipping twelve men with motor trucks, Delco plants, and a library of forest protection films, we were able to visit 1,604 communities from the northern part of Vancouver Island to the fishing villages of Cape Breton. Our men traveled under our direction and expense a total of 46,628 miles. Their 1,604 mass meetings resulted in an attendance of 340,481, an average of about 212 to each meeting. When it is considered that nearly all such meetings were held in more or less remote communities, to which no other form of forestry education penetrates, the hearty welcome invariably given to the association's officers and to their presentation of instructive movies (often for the first time in local history) is not difficult to understand. Many of the audiences in Ontario and Quebec and elsewhere represented 90 per cent. of the available population, thus covering the majority of woods dwellers who can do the greatest service in fire prevention. Another interesting feature of the lecture campaigns is that, on the basis of cost, the association's outlay represented just $14 per meeting, including salary, board, travel expenses, advertising and other items. This low figure could not have been maintained were it not for the excellent aid given by government forest services, the limit holders associations, the railways, and private companies, the money value of whose co-operation would run to many thousands of dollars annually.

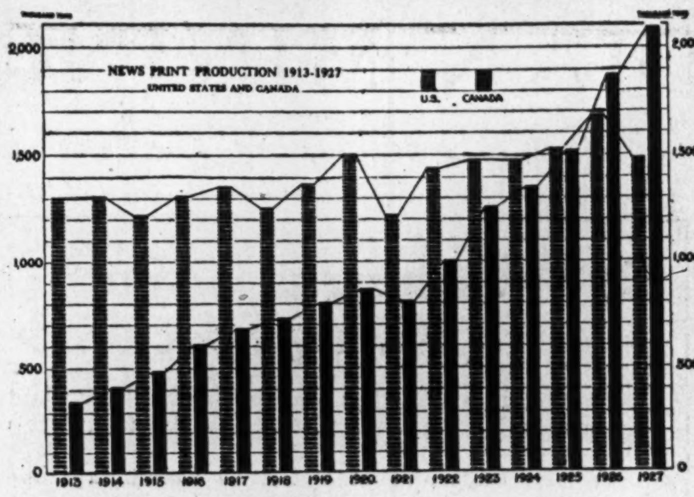
Prairie Provinces

The tree planting campaigns in Manitoba, Saskatchewan and Alberta have been carried on for eight years. During 1927, 249 public meetings were held by our lecturers, George Harcourt and George Watt, with the assistance of Alan Beaven.

The railway car traversed nearly 4,500 miles of prairie country, providing illustrated lectures for nearly 29,000 people. The districts visited were nearly all in the treeless or semi-treeless areas where the greatest need is not a change of soil or moisture but a change in the popular attitude. The stimulating and informative effect of the daily talks by Messrs. Harcourt and Watt are amply vouched for by authoritative western observers. A great growth in tree planting is recorded every year, and the old-time inertia of the homesteader and the municipal council and school board is giving way to a new appreciation of the value of trees to prairie life and agricultural prosperity. How these hundreds of communities visited by the association's lecture car appreciate and benefit by our educational mission cannot be understood short of a few days' presence at the scene of action. Families have driven in thirty and forty miles in inclement weather to visit the lecture car and present their special problems to our men for solution. The school boards have been indefatigable in utilizing the presence of our car in their midst by having the children march to the lectures in relays. The Canadian Pacific Railway Company did us the great service of modelling and decorating the interior of the lecture car last fall, making the cost a further contribution to us.

School Campaigns

To learn more accurately what use the 10,000 schools working in co-operation with us were making of our classroom material, we tested one-hundred typical schools, (selected at random) by a questionnaire. The high percentage of replies and the fullness of the answers leave no room for doubt that the school service is functioning with really great success. While we did not expect that our material would be used by the teachers in their classrooms more than twice a month at most, it is now demonstrated that once a week would be a conservative average. We feel it no exaggeration to state that our service to school teachers is providing direct contact educationally with at least 500,000 Canadian boys and girls between the ages of ten and fifteen. Every aid has been given to us by the Department of Education, the inspectors and teachers of all grades.



LARGE SUM SAVED IN PULP INDUSTRY BY VACUUM DRYER

Reduction of 25% Steam Consumption is Found Possible

One of the few technical reports of the various committees of the Canadian Pulp and Paper Association which is understandable to the lay reader was that of the committee on power and drying which submitted a report of interest to all shareholders of Price Brothers & Company—the first pulp and paper company to instal one of the newly-invented Minton drying machines. These machines cut down materially the cost of converting a layer of pulp into a roll of a paper. The wet pulp passes over steam drying rolls which are in a vacuum. Less steam is required in the new process to dry out the paper; material savings result as the cost of steam is one of the largest overhead charges of any paper mill.

Early this year, Price Brothers & Company, in pioneering to lower overhead, installed one of these machines. The results of Price Brothers' work can be regarded, apparently, as eminently successful judging from the report of E. B. Wardle, the chairman of the committee on power and drying of the association, which says:

Apparently this committee can be of the most service by pointing out possible avenues through which savings may be made in the generation and use of steam, leaving it to members to determine for themselves in detail how such savings may be obtained in their own plants.

Vacuum Dryer

In connection with drying of paper, the main point of interest to paper manufacturers that has come up during the past year has been the bringing into successful commercial operation of the vacuum dryer. It seems safe to say that the installation has demonstrated the entire practicability of the principle.

The indications are that a saving of at least 25 per cent. in steam consumption over the best operation of the ordinary atmospheric drying section should be obtained by the vacuum dryer. In addition, there is delivered from the section at a temperature of 90°F. about two tons of water per ton of paper dried, which can be used to advantage.

The vacuum dryer referred to was fully described in a paper read by the inventor on December 1, 1927, before the Montreal branch of the Engineering Institute of Canada. There can be no doubt of the truth of the statement that the vacuum dryer marks a step forward in the art of paper making second only to the fourdrinier machine itself.

Cost of Steam

In this connection it is interesting to note that for the first ten months of 1927, the average cost of steam per ton of newspaper in all of the Canadian mills reporting to the newsprint Service Bureau was $4.27; the average cost of steam being 44c per 1,000 lbs. The average cost of steam in mills having a combined capacity of 2,220 tons per day, out of a total of about 6,500 tons per day, is $5.69 per ton of paper. The lowest cost of any mill reporting is given as $2.54 per ton, with steam costing 33c per 1,000 lbs.

There is a decided tendency in modern steam plant design toward furnace arrangements enabling the use of coals with a low fusing temperature of ash. Present indications are that this can most successfully be accomplished by using pulverized coal in burners of the high turbulence type. Such installations naturally tend toward high furnace temperatures, making advisable the use of water cooled walls, and improved refractories. In new installations the use of pre-heated air, with or without economizers, is becoming almost universal.

There is an increasing use of vapor accumulators to smooth out peaks in steam demands; also many plants are installing automatic boiler control apparatus.

The combination of high pressure boilers and extraction type turbines for power and process steam has advantages which many mills can well afford to consider thoroughly.

The use of bark presses to enable burning of wood mill wastes is already obligatory in some mills and no doubt is advisable in many others, provided suitable equipment can be obtained. Manufacturers of bark presses are constantly making improvements in their line of machinery.

The idea of reducing waste sulphite liquor by evaporation to a point where it can be burned has attractive possibilities.

Investment Bankers
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Scientific Control Means Satisfied Clients

A Partial List of Exclusive "NaBroCo" Users

PORT ALFRED PULP & PAPER CORP.
Exclusive users of NaBroCo Acid Resisting Bronzes for the last three years.

SPRUCE FALLS POWER & PAPER CO. LTD.
Exclusive contract recently signed after lengthy practical mill tests.

FRASER COMPANIES LTD.

DOMINION BRIDGE WORKS
NaBroCo Bronze used throughout.

MONTREAL TRAMWAYS
NaBroCo Bronze used on yearly contract—renewed for third consecutive year.

CANADIAN ALLIS CHALMERS

CANADIAN NATIONAL RAILWAYS
From Belleville to St. Malo.

"NaBroCo" Bronze
It
Really
Resists

We Make
*"Acid
Resisting
Bronze"*
for Pulp and Paper Mills

Over 2,000,000 lbs. a Year!

THE fact that in three years business has grown from 100,000 lbs. to over **2,000,000 lbs. a year** is the best evidence that could be offered of satisfied customers.

National Bronze Company Limited operates under **strictly scientific control,** the temperature of every pot of metal being taken, analyses made to check the composition, and metallographic investigations to further control the interior structure of the metal.

NaBroCo Acid Resisting Bronze is used in **pulp and paper mills.** There is a growing demand for **"Acid Resisting Bronze That Really Resists."** Such a bronze would only give continued satisfaction if made under strictly scientific conditions — with the various factors carefully controlled.

Scientific control is your best guarantee of satisfaction.

National Bronze Company
LIMITED
145 Mill Street York 2858 Montreal

Visit a large pulp and paper mill

(the show rooms of the electrical industry)

You will be amazed at the enormous and intricate amount of machinery and the small number of men who operate it, electrically.

You will see an endless output of wealth, born every moment of logs and water.

Doubtless you may find that more electric power can be applied to your own production methods with efficiency and profit equal to what you observe.

Any office of the Canadian Westinghouse Co. Limited will gladly arrange such a tour for an executive.

Westinghouse

Everything Electrical for Every Industry

Premier Gold's Capital Will Remain Unchanged

CANADIAN MINING NEWS

Regular Weekly Department of The Financial Post

Newfoundland Mine Area Facing Active Development

Hectic Stock Boom is Taxing to Limit Vancouver 'Change

Up to Million Shares Are Handled in One Morning

STRAIN IS TERRIFIC

Brief Survey is Made of Few Principal Ventures Dealt With in B.C.

From Our Own Correspondent

VANCOUVER. — Toronto, Montreal and New York buying has given mining shares on Vancouver exchange a tremendous boom, compared with the low prices and easy-going sessions of last year. As recently as a month ago, a 200,000-share session in Vancouver was a big one. To-day, the exchange is called upon to handle up to a million shares in a morning. The strain on the light and low-geared trading machinery here at the coast has been terrific.

Almost over night, the Vancouver stock exchange has jumped from obscurity to become one of the major mining stock markets of the continent.

Emulates Toronto

What Toronto experienced in the recent hectic mining stocks boom, Vancouver is experiencing with equal force if on a somewhat smaller scale.

Brokerage offices are working double shifts. Office space is at a premium. Experienced help is practically unobtainable. Brokerage offices are daily crowded to the doors. Vancouver business men and far-sighted brokers are wondering what the outcome will be. Excessive inflation of stock prices is feared.

It is generally agreed, however, that until recently, British Columbia had been neglected by mining capital and that many stocks were selling under their rightful value. In so far as the present heavy trading will draw the attention of the continent to British Columbia mines and opportunities for investment of speculative funds in British Columbia, it will probably do this province a great deal of good.

It is recognized, too, that certain stocks already have soared above the prices the properties they represent would justify, and that only the technical position of the market holds them up.

Old Sport Mine

Coast copper is believed to be one of these. A Montreal pool is credited with having put Coast Copper up to $60 a share, without commensurate development at the Old Sport mine, Vancouver Island. Sunloch, which sold up to $5, is also considered to be too high, in view of the fact that no work has been done on the property for about three years. Both mines are far from shipping or earning. George Copper at or near $5 raises a doubt of the future. But each of these stocks enjoys the influence of the name "Consolidated Mining and Smelting Company," and the technical position of the market makes the prices mentioned—and even higher prices—possible of accomplishment. For instance, only 7 per cent. of George Copper stock is loose. It lends itself to a play.

Consolidated Smelting is not involved in this. Big Missouri is also a Consolidated Mining and Smelting operation, for "Smelters" has somewhat more than a 50 per cent. interest in the company. However, there are about 2,000,000 shares of Big Missouri loose in British Columbia and any marked rise in the stock brings on a flood of profit-taking. A large amount of this stock was bought cheap when Pat Daly and the Standard Lead people of Tacoma were financing development. Big Missouri is admitted to be a promising property

(Continued on page 23)

Mine is Blamed if Market Breaks

Much Talk About Bidgood Because Shares Move to Level

"What's the matter with Bidgood?" asked a broker, on calling The Financial Post. He said the stock was going down. The company would not issue a statement to hold it up. Another broker had told him that his field men called at the mine and wouldn't let him go underground, etc., etc.

The above is the kind of stuff that always starts to make the rounds when the market breaks. The brokers boosted Bidgood sky high. They sold it to their clients at unheard of prices. Then the bottom drops out and they immediately start in to blame the company.

The writer visited Bidgood a few weeks ago. Every courtesy and facility to learn about what was being done was extended. It sized up like a clean-cut mining operation, and it is apparent that the management is giving its attention to mining and not to a market operation. Bidgood has a limited visitors list, otherwise its limited hoisting facilities would be completely crippled. For a time it was swamped with visitors and had to cut down on them.

Bidgood and a good many other stocks have the same complaint, too many brokers. It is doubtful if Bidgood shareholders are selling the stock down.

FROOD WILL EARN PROFITS IN 1930

Pres. Agnew Says Shareholders Will Not Benefit by Development Until Year Later

Pres. J. L. Agnew, of International Nickel, says that the company estimates that about 35 per cent. of its stock is now held in Canada. He spoke of this changed condition with a considerable amount of pleasure. He admitted that he was quite glad to see Canadians steadily adding to their holdings in the company, and said that it was something that had been desired. There was quite different feeling for the opinion of the operation to-day than was the case a few years ago, and he believed that the awakening of the Canadian interest in the company's shares was in a large measure responsible.

Discussing the company's plans for the development of the Frood ore body and the erection of a plant to treat the ore, he said that they would bring the new electrolytic plant along simultaneously with the mine. There was a tremendous amount of work to do in the mine. The new shaft is down about 2,700 feet, and when it is completed, there will be a large amount of lateral work to do before there will be a chance to break down any ore.

Mr. Agnew voiced the opinion that it would be 1930 before the Frood operation would begin to show in the company's earnings statement and 1931 before any of the money in the shape of net profits would reach the shareholders in the form of dividends.

Option on Abana Shares Now Closed

F. G. Oke announces that he has taken up the last block of Abana stock which he had under option. He now holds 500,000 shares, all intact, and this will be turned over to the Vickers Co. for whom Mr. Oke secured the option.

"Who Are the Directors"

In view of the possibility of Astoria Rouyn Mines becoming the next big producer in the Rouyn field, a Shareholder writes in to ask what about the management, and if it is true, as reported, that some of the original incorporators have resigned from the Board.

For the information and benefit of all the Shareholders, we take great pleasure in reassuring them that all the men who were elected Directors and who accepted office when Astoria Rouyn Mines, Limited, was incorporated in February, 1927, are still on the Board and taking a keen interest in the affairs of the Company. Namely:

Honourable N. A. Belcourt, K.C.P.C., Senator, former Speaker of the House of Commons.

Honourable Lucien Cannon, K.C., M.P., Solicitor-General for Canada.

Honourable Antonin Galipeault, M.L.A., Minister of Public Works in the Government of the Province of Quebec.

H. E. Price, Esq., Director and Secretary-Treasurer Price Bros., Pulp, Paper, and Lumber Manufacturers, Quebec.

Honourable Benjamin C. Prowse, Charlottetown, P.E.I., Senator.

J. Eugene Tanquay, Esq., Director Quebec Railway, Light, Heat and Power Company and General Manager, Quebec Power Company.

George Parent, K.C., M.P., Director Southern Canada Power Company.

Rodolphe Chevrier, M.D., Chief Surgeon Ottawa General Hospital; Medical Advisor to the Federal Appeal Board, Ottawa; Member of the Federal District Commission.

Needless to say that none of these men would risk his reputation as Director of a Company if not convinced beyond question of the merits of the proposition and the ultimate success of the venture.

MANAGEMENT

Mr. Tanquay, Mr. Price and Mr. Parent are acting in the capacity of joint managers; keeping in close touch with the Engineer in charge of development work as well as making regular visits to the mine. This is a guarantee that the affairs of the Company will be conducted with strict economy and efficiency.

Mr. Parent is a son of the late Honourable S. N. Parent, former Prime Minister of the Province of Quebec, a law partner of the present Prime Minister of Quebec, a director of the Southern Canada Power Company, and member of the House of Commons of Canada for the City of Quebec.

Mr. Price is a Director and Secretary-Treasurer of Price Bros., Limited, of Quebec, a firm name well and favorably known all over the world with a successful business record of 105 years without a break.

Mr. Tanquay is the "Pierpont Morgan" of the Province of Quebec. Everything he touches turns to gold. As Managing Director of the Quebec Railway Light, Heat and Power Company, his success has been a triumph.

For confirmation of the personnel of the directorate of Astoria Rouyn Mines, any shareholder is at liberty to write direct to the Company's Solicitors, Messrs. Taschereau, Parent, Taschereau & Cannon, 70 St. Paul St., Quebec City, Que.

In his speech at the opening of the Legislature of the Province of Quebec a few days ago, the Prime Minister, Honourable Mr. Taschereau, said:

"The most remarkable progress has been made in the power and mining industry. Our mining regions have revealed wealth surpassing our greatest hopes, and work has commenced in several mines in the Northwestern part of the Province of incalculable value."

For Information Re Sale of Stock

Write to Suite No. 26, 74 Sparks St., Ottawa

MINE ISSUES BREAK DOWN AFTER BOOM

Popular Issues Now Paying for Over-speculation

LIST QUITE WEAK

Outlook Not Clear—Buying is Negligible and Shorts Are Reaping Toll

Popular mining stocks are now paying for their popularity. The market is growing steadily weaker. It is retribution for the orgy of speculation that held sway for the last six months of 1927, and which culminated with a tremendous upswing in November. Since then the market has been gradually settling until, as one broker says, "it hit the skids last week."

In making a study of the situation, a variety of opinions is met with. Some brokers say there is good buying; others that there is little buying, while a third opinion is that buying is at the vanishing point. All may be right, the difference in experience being due to the fact that the margin houses always have a fair amount of buying, no matter what the position of the market is, after a severe reaction, whereas the houses not handling marginal accounts get little of this trading.

The market's strength depends on the ratio of buying to selling. If buying is greater than the selling, it will go up, and vice versa if the selling is greater than the buying. The latter is now the case.

Three Classes Selling

There are three classes of sellers in the market to-day, over extended speculators, outright purchasers who are taking their losses, and professional.

During the boom in mine shares late last year, a great new buying public was inveigled into the market by the attractive profits that were being shown by many stocks. The impression got abroad that one could buy any stock on the market and make money on it. Prices were carried up until numerous ventures were selling out of line with their true position. Then came the break. Margin accounts were the first to suffer, and this helped aggravate the situation. Many who purchased outright to hold for higher levels, found that the stocks broke so quickly they could not get out, and not only are they selling these but a certain amount of good stocks as well, to recoup their losses and this is a factor in spreading the selling to the rest of the list.

New Issues Numerous

The general mining list has also been weakened by the large number of new issues. There was plenty of new money and surplus funds to take care of these, had not a great deal of it been diverted into market speculation. Hudson Bay, Sherritt-Gordon, Harket, Brett Trethewey, Cambro, all met with a good reception and found plenty of money waiting when they came on the market. Several millions went into these operations. Just this week, Sherritt-Gordon raised $2,500,000. In addition to this, it must be remembered that Canadian buying of International Nickel has taken a lot of money. It is believed that the present valuation of Canadian holdings in this stock is around $60,000,000. Much of this is money that was not interested in mining before, but on the other hand a great amount of speculative funds was diverted from the general list into this issue. Mond Nickel was also bought in substantial blocks.

These few sidelights are by way of answering the query heard everywhere on the street as to what is the matter with the mining market.

The second question, which comes before the first, and can hardly be answered, is "What is the market going to do."

One guess seems to be as good as another. Out of ten brokers whose views were sought, no two had the same slant. Many of them are looking for a rally, and others look to see stocks sell lower. What they call the "technical position" of the market is much better to-day than it has been. This means that the amount of high priced stock in weak hands has been greatly reduced. This would indicate that selling may ease up. On the other hand, there is the question of whether or not the shorts are satisfied. If they are not, then in the face of practically no buying resistance, they may easily hammer prices lower. The general experience is that the shorts are no wiser than were the speculators of a month or so ago. The latter kept buying until they got trapped with a lot of high priced stock in a falling market. The shorts are just as likely to keep selling until they get trapped short of stock in a rising market.

One broker threw a little sunlight on the situation when he made the point that the market rarely moved up in a vertical direction. Each advance brings on a certain amount of profit taking. The same in a reaction. The market breaks suddenly and then gradually works down. With each decline, a certain amount of buying comes in, the fear being that each recession may be the bottom. So that as reactions are to be expected in a rising market, rallies are to be looked for in a declining market. There have been a couple of such flurries in the mining list during the past week, and others may be expected. As to where the bottom is, only time will tell.

Due Warning is Given to Mining Speculators

The Financial Post has repeatedly urged its readers to submit all mining speculations to the acid test of "Who is behind them."

In view of the boom in British Columbia mining shares this warning is being repeated.

These properties are considerably removed from the East and there are not many persons in the East who are sufficiently well posted to give adequate data on the various B.C. operations.

Standard Exchange, Toronto, has done well by the British Columbia industry in listing a number of good stocks. There is always the danger of the wild-catter getting in his work in a mining boom and for this reason careful inquiry should be made of any issue offered before money changes hands. It is generally too late to inquire after buying.

British Columbia has many important mines coming along and there are splendid opportunities for speculative profits. The way to pick the right ones is to pick issues that are sponsored by the right people.

Comments Friendly Attitude to Mining

Editor, The Financial Post:

In these days of destructive criticism, it is refreshing to read your comments and answers to enquiries regarding mining enterprises in Canada.

It is a fact which cannot be denied, that mining is a speculative venture, especially in the early stages, and it is solely due to the fact that a large number of our people are willing to take the initial gamble that mining eventually becomes an established industry. In other words, the early stages in the development of a property must be speculative and the public generally recognize this feature.

Your paper consistently hews to the line in this respect, and your policy is in refreshing contrast to that of another weekly journal, which never fails to refer to mining generally, in all its phases, as nothing but a gamble.

WM. C. BRENT & CO., LTD.

Toronto, Jan. 28, 1928.

PREMIER CAPITAL TO BE UNCHANGED SAYS PRES. WOOD

This B.C. Company Can Maintain Present Dividend and Will do so

Premier Gold Mines, operating the Premier Mine in Portland Canal, B.C., and which company has become famous as a dividend payer, does not intend to increase its capitalization.

A short time ago Premier acquired the Prosperity group which is opening up well and gives indications of making a mine of substantial proportions. Recently it also acquired the Silverado. This also seems to be earmarked a winner. Both properties are in Portland Canal area.

These acquisitions were evidently responsible for the rumors of an increase in capital. The Financial Post asked Pres. R. W. Woods for an official statement on the matter, and he quite emphatically stated that there would be no change in the capital structure of the operation. He said that the company was in a strong financial position, well able to take care of the acquisition of these groups and also to finance their development.

There have also been some reports going the rounds that the Premier Company would not long be able to maintain the present high dividend distribution of 32 cents per share on 5,000,000 shares, or $1,600,000. He said that the dividend was in no way in jeopardy. Earnings were standing up in an excellent manner. The present known ore of the Premier was good for a number of years yet, and only a small part of the property had been seriously prospected. There were still many possibilities for new ore and in addition there would be the new properties coming along, and he intimated that it was the intention of the company to continue to acquire properties of merit. Premier, he said has the money and the staff to handle new operations, and he felt that they were in a position with their plant and equipment to pay a bigger price for good properties than anyone else.

Not without a certain amount of justifiable pride Mr. Woods pointed out that Premier in about 5 years produced about $28,000,000, put about $2,500,000 in plant, and paid shareholders about $12,000,000.

MASSIVE COPPER CUT BY DRILLING ARNO PROPERTY

Operation in Abana Section Gets High Grade in First Hole

From Our Own Correspondent

OTTAWA, Ont. — Information reaching Ottawa from Dupuy Quebec, and confirmed by long distance telephone by Charles Spearman, consulting engineer of Montreal, to the effect that Arno Mines, operating in Desmeloizes to the northwest of Abana Mines, had struck a find of major importance in Number 1 diamond drill hole.

The drill passed through forty-two feet of mineral and was still in solid copper without having reached the wall of the orebody.

From ninety-three feet to one hundred and nineteen feet the drill passed through twenty-six feet of disseminated copper of a very fair grade. From one hundred and nineteen feet to one hundred and twenty-three feet, fifty inches of solid massive copper was encountered. Then the drill passed through four feet of intrusive rock again entering massive sulphides for a stretch of twelve feet.

The last word from the property was that the drill had passed through the sulphides and was again in solid chalcopyrite.

Diamond drilling of the property of Arno Gold Mines, Desmeloizes Township, Que., began two weeks ago. The work is being carried out by the Patterson Diamond Drilling Co. Twenty-four hour shifts have been put on, and it is expected that the holes will be put down on an average of 55 feet a day.

A series of unavoidable delays held up the diamond drilling campaign on Arno which was to have started some weeks ago. The boilers were routed by mistake to Rouyn, and from there to Porcupine, before they eventually reached their correct destination. After the boilers had been set up, and the collar put down a distance of six feet, the creek from which the water supply was being pumped went dry. Efforts were made to obtain the necessary water supply by melting snow, but the snow at this time of the year proved too dry, and it was found impossible to obtain a sufficient amount of water by this method. As a final resort the contractors erected a tank and are keeping this filled by drawing water from a source some distance overland. This latter method is working out satisfactorily and no further difficulty is anticipated.

Astoria Awaits Results with New Mine Plant

Astoria Rouyn Mines' new plant has been delivered at Rouyn, and will soon be on the property and at work. Pres. Tanguay, in a recent letter to shareholders, announces that the plant was purchased in Chicago in January. He says the question of listing Astoria shares was discussed at a meeting of the directors, and decided that application would be made to list the stock on the Standard and Mining Exchanges not later than April 30.

Accounts received both from company engineer and independent outside sources give the impression that, with two or three months' work with the new mining plant they may reach the point where all the ore shoots exposed in the highly mineralized test pits converge in one great orebody.

PLACER OPERATION STARTS IN ALBERTA

Three Prairie Provinces Are Now Interested in Metal Mines

Alberta, like Manitoba and Saskatchewan, is branching out into metal mining. A large placer gold operation has been launched, and may bring it fame, if dredging results are up to what preliminary boring has led the operators to expect.

The company controls 107 miles of dredging leases on MacLeod River, starting a few miles from the C.N.R. line. Five Empire drills have been ordered delivered to the property and a crew of 30 men has just started work under L. E. Drummond, M.E.

Operations will be commenced at a point on the west side of the river, three miles from Peers, on the Canadian National Railways, which is 125 miles due west of Edmonton, and drilling crews will spread out over twenty miles of riverbed lying northerly. This section of the company's leases, which embrace 107 miles of the river, has already been tested in a preliminary manner and shows uniformly good values, up to $2 per cubic yard in the stream bed, and 50 cents on the rims. A preliminary estimate is that there is available 300,000,000 cubic yards of gravel, with a gross value of $75,000,000 available for the dredges. Costs are extended at 10 cents per yard with gross profit 50 per cent. higher.

Leading Mining Country is Predicted of Canada

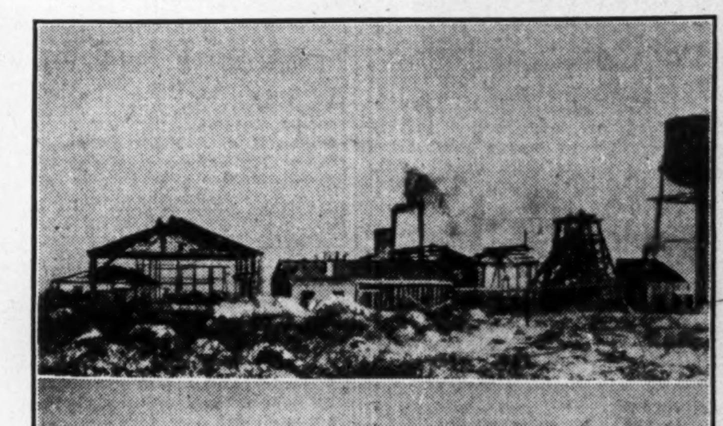
President Bradley of Bunker Hill Sullivan Co., and Treadwell Yukon Co., who recently visited the Errington Mine at Sudbury, told a leading Toronto financier that in the course of a few years he expected to see Canada develop into the leading mining country of the world.

Mr. Bradley is about one of the best posted mining men of the continent. He operates in a large way and his opinion is considered worth while on mining matters.

Canada's mining industry has leaped ahead in the last couple of years. It dragged many years before that. This is the case with all new industries. At the beginning of the present century Canada has a limited number of miners and few prospectors. To-day it has some of the best miners in the world, and a corps of well posted prospectors who know geology and ore. They should find the minerals if they exist. In the last couple of years Canada has developed tremendously in mining finance, and to-day can provide the funds, independent of any outside assistance, to develop her own deposits. This may not hold the speculators in listed stocks, but is is already showing a benificial effect in the financing of new propositions of merit. Appreciation of Canada's ability to handle her own mining industry in a large way is undoubtedly a large factor in the present boom.

Mineral Boom is Predicted in Huge Base Metal Area of Britain's Oldest Colony

Surface Plant of Newfoundland Operation



The above pictures show construction of the large reduction plant being erected by American Smelting and Refining to handle the ore of Buchan's mine, which the last official estimate placed at 3,000,000 tons, but which has since been added to. There are 800 men employed in this operation.

Toronto Interests Playing Big Part in Newfoundland Development

GREAT EXPECTATIONS

Short Account Given of Few Attractive Looking Blocks Near Buchan's Mine

Intensive development of a huge base metal area in Newfoundland, of which Buchan's Mine is the centre, is to proceed in a big way this year. All indications point to a mineral boom of substantial proportions.

Toronto interests will play an important part in this development as practically all the favorable ground, outside the Buchan's Mine and a few other groups, has passed into the hands of Toronto financiers and mining men.

Mines in Locality

Few new mining camps have had such an auspicious start. American Smelting and Refining, a Guggenheim company, operates the Buchan's Mine. Already located in the same general vicinity and holding attractive looking blocks of ground are the following concerns:

Porcupine Goldfields Development and Finance Co., which is a subsidiary of New Consolidated Goldfields of South Africa and National Mining Corp. of London.

Newmont Mining Co., New York, which holds 35 per cent. interest in Hudson Bay Mining Co. and which company controls the Flin Flon operation.

Pennsylvania Syndicate, a group of financial and mining men who propose to conduct a private mining enterprise.

Old Colony Mines (Dominion charter with this name applied for) a Toronto enterprise which is being financed by Stobie, Forlong & Co. and which has a large block of ground in the heart of the formation.

Buchan's Extension, which holds a substantial block of ground in the anticline and which has been financed by large Toronto interests. Gordon Taylor of A. E. Osler & Co., is handling the affairs of this company.

Newfoundland Red Indian Lake Mining Co. holds some 30,000 acres adjacent to Buchan's Mine and was sold by a Toronto syndicate to a large group of Toronto mining men.

Newfoundland Lead Zinc Mines is also controlled in Toronto. Its holdings are about the same as those of the company above and are located to the north-east of the Old Colony group. It is understood that other deals are pending which will insure other strong companies entering the field.

Systematic Exploration

Newfoundland shapes up like a field for large operations and the fact that strong financial interests and experienced mining operators are associating with the different enterprises, would seem to assure intelligent and systematic exploration of the ground.

The history of the field to-day is the history of the Buchan's Mine. This deposit was originally taken over by the Anglo-Newfoundland Co., a London venture controlled by Rothmere interests. There were ample evidences of a huge ore deposit on surface, but tests of the ore indicated that it was very complex. An effort was made to work out a process of treatment without success and finally the Guggenheims were interested. Mining men state that the property must be a very large one on learning that American Smelting and Refining interests are putting up all the development money and working out the process

(Continued on page 23)

Financial Post's Article on Newfoundland Mining is Responsible for Boom

The Financial Post is directly responsible for the tremendous mining boom now under way in Newfoundland.

This is the statement made by one man who, on reading certain information in The Financial Post, investigated and finding it correct in detail, stepped into the mining situation in the empire's oldest colony in a big way.

The article which sold this scout for large mining companies, on Newfoundland's possibilities, appeared in the Newfoundland issue of The Financial Post, published July 22, 1927. This scout was able to check the information it imparted quickly. He found it correct in detail. In no time he had options on substantial blocks of ground of potential mineral wealth.

To his alertness and foresight is due the large amount of activity, outlined in an adjoining column.

In a letter to The Financial Post, he acknowledges the part which The Financial Post has played in this development. He says The Post is the only paper in Canada that seems to have been alive to the situation.

The article which attracted his attention gives much information that is not generally known to-day. It read in part:—

Buchan's Mine and the section immediately adjacent gives every promise of being one of the world's greatest mineral discoveries. Originally, the discovery was estimated to show some eight or nine million dollars worth of ore, but this was of so composite a character that for a long time it appeared as though it was not a commercial factor.

The ore body was originally discovered by the Anglo-Newfoundland Development Co. in 1905, and the property was mined to a depth of some 400 feet, but the ore was found to be a complex massive fine grained zinc lead, carrying small percentages of copper and appreciable values in gold and silver. Difficulty was experienced, however, in both concentrating and the metallurgical treatment of the ore, and so great were these difficulties that it did not seem, at the time, that they could be overcome, and the property was closed down.

The American Smelting and Refining Company, however, were so impressed with the original showing that they have been experimenting for years on the ore, and finally discovered a method which made the ore an economic possibility, and the property was reopened in 1926.

Since the time that active operations have been undertaken, the find has leaped ahead from what was an interesting and valuable discovery to one of such outstanding significance that it almost beggars description.

Under intensive electrical prospecting a large lense of massive zinc lead sulphides has been discovered, at a point some 4,000 feet from the original discovery, that seems to be the most outstanding deposit of zinc lead ore in the world to-day. This lense is known to be some 600 feet long, 400 feet wide and 125 feet thick, at a rough estimate some 3,333,000 tons of ore that should be worth $50 a ton, thus putting the discovery alone at a value of close to $200,000,000.

The original Buchan's Mine showed approximately 200,000 tons of ore, carrying appreciable values in gold and silver, has already been developed. Some 300 feet west an agglomerate orebody was located by surface prospecting that showed some 40,000 tons of five per cent. lead and eight per cent. zinc, and development work has been undertaken there. Directly to the north of this find a 14-foot thick vein of high-grade ore was located by underground work, but its extent and tonnage have not yet been determined.

In so far as the investigations have proceeded the ores appear to occur as massive, fine-grained zinc-lead sulphides in tuff. The hanging wall is conglomerate, and the foot wall is the same formation. Between the conglomerate hanging wall and the ore-bodies themselves, a rock determined by Lundberg

(Continued on page 24)

Quebec Raises Question of "Mushroom" Mines

Armand Crépeau, Conservative M.L.A. for Sherbrooke, in the course of the debate on the Speech from the Throne last week in the Legislature, reproached the Hon. J. E. Perrault, Minister of Mines, for not suppressing fallacious publicity made in behalf of certain mushroom mines, publicity rendered alluring in unrestrained manner with the object of selling, at inflated prices, shares in mining companies of extremely doubtful future.

Often, said Mr. Crépeau, not a cent has been spent for exploration on such properties prior to offering the scrip, but better to blind the public, recourse is had to faked photographs. This exploitation of the public, the member for Sherbrooke added, is ruinous not only for the buyer who is trapped, but retards also the development of honest and properly-established enterprises.

Williams and Brochm, Montreal, in commenting on this remark, state that the minister replied rightly that it is not always easy, despite close scrutiny of the officials of his department, to distinguish between the good and the bad.

As a matter of fact, a mine may have a genuine value, it may be directed by people morally to be recommended, and that without being protected against failure, for those directing have not always the competence required, or the enterprise with which to surmount reverses. When the company possesses the first element of success—the presence of ore, a "sine qua non," we will say—there is always a means of avoiding suffering by the deficiency of others, either by replacing the administrators or by selling, often at a profit, the property to a rival enterprise more solidly established.

Nevertheless, there exists certain means of discovering fraud, or at least of putting people on their guard. The Financial Post in December denounced the methods of a tipster sheet editor who, under cover of an information bulletin of great attraction worked up the sale of a mining stock on his own account by giving prominence to a large number of business men, whom he named at length, as being shareholders in that company.

Next week, we shall have more to say on such disloyal tactics.

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GOLD ORE TONNAGE DURING LAST YEAR UP HALF MILLION

Preliminary Figures Show Ontario Output Over Two Million Higher

Ontario gold mines in 1927 handled about a half million tons of ore greater than the year previous and this materially boosted the production for the year, as the figures below show:

	Tons	Value
1926	3,696,067	$31,004,111
1927	4,278,783	33,409,247

The figures, which will be subject to some revision on receipt of final reports, show a drop in value of Porcupine's output and a rise in that of Kirkland Lake. Porcupine's mines showed a substantial increase in the tonnage handled during the year, but Kirkland Lake more than doubled the tons handled when compared with 1926.

The outstanding feature in 1927 was the rise of the Kirkland Lake camp, from a total value of $600,000 in January to more than a million dollars of output in December, or nearly 67 per cent. in value for an increase of 58 per cent. in tonnage milled. As compared with 1926 figures, the Kirkland Lake mines showed gains of 35 per cent. in value, and 54 per cent. in quantity of ore milled in 1927. With the further development and expansion in milling capacity it would appear that the Kirkland Lake camp may approach in the future even more closely to the wonderful record of the Porcupine area.

Porcupine

Period	1926 Tons	1926 $	1927 Tons	1927 $
Jan.	249,325	1,946,563	292,484	1,926,908
Feb.	242,510	1,980,919	265,559	1,885,833
Mar.	268,545	2,353,829	284,999	1,923,787
Apr.	260,064	2,169,921	286,066	1,964,516
May	261,722	1,919,585	301,300	1,925,322
June	259,900	1,972,162	283,525	1,935,354
July	243,760	1,715,954	288,549	2,051,240
Aug.	298,477	2,032,226	302,618	1,732,101
Sept.	268,467	2,039,031	296,713	1,902,915
Oct.	283,264	2,081,231	297,058	1,952,029
Nov.	272,121	1,909,735	292,493	2,170,555
Dec.	278,775	1,971,990	288,887	2,311,082
Total	3,180,943	23,810,700	3,480,251	23,681,642

Kirkland Lake

Period	1926 Tons	1926 $	1927 Tons	1927 $
Jan.	34,167	575,128	50,696	600,354
Feb.	33,718	506,739	50,103	592,230
Mar.	39,927	513,617	60,272	706,083
Apr.	41,197	617,184	59,075	698,782
May	42,399	635,365	61,687	857,682
June	41,745	565,095	67,409	736,811
July	41,315	547,069	66,899	762,749
Aug.	43,542	637,924	73,482	903,336
Sept.	41,516	613,820	69,404	928,636
Oct.	50,260	634,254	78,693	890,115
Nov.	50,685	633,708	75,538	961,500
Dec.	52,853	718,407	80,274	1,089,381
Total	515,124	7,193,411	793,532	9,727,605
Grand Total	3,696,067	31,004,111	4,273,783	33,409,247

In 1926 the silver in gold ores at Porcupine amounted to $130,030, and at Kirkland Lake, $19,328.

Mineral Boom is Predicted in Huge Base Metal Area

(Continued from page 1)

of treatment for a bare control, the London people maintaining the other half.

On Nov. 18 last, The Financial Post published a statement prepared by H. A. Guess, managing director of A. S. & R. Co., which was to the effect that development of the Buchan's property had revealed 3,000,000 tons of ore. The percentages which he gave of the content of the ore indicated a gross value of around $5 at the then prevailing price of base metals. However, a careful working out of this percentage would seem to indicate that there is a possible profit of $20 per ton from the ore indicated as the following table shows:

north-east strike and it is within the boundaries of this syncline that huge areas of prospective mineral land have been taken up. There are a number of finds of importance outside the Buchans but little or no work has been done on them.

1,000 Tons Daily

As has been pointed out the Buchans is a large mine and work is proceeding with the construction of a huge surface plant that will include a concentrator handling close to 1,000 tons daily. Meanwhile it is understood that long cross-cuts are being run to connect up the different lenses of ore and to get the mine in shape for steady production by

Metal	Assay	Gross Lbs.	Possible Recovery %	lbs.	Price To-day	*Costs	Net Value
Zinc, %	22	440	70	308	5.67	3	7.63
Lead, %	10	200	70	140	6.50	3	4.90
Copper, %	2.6	53	70	40	14⅛	4	4.05
Silver, oz.	3.3	3.3	90	3	56	.	1.70
Gold, oz.	.0316	.0316	95	.03	20.00	.	.60
							18.88
Mining, concentration, overhead							2.00
Profit per ton							$16.88

*Smelter, transportation, etc.

Improvement in Ore

Engineers in touch with the situation, express the opinion that Mr. Guess' esimate is based on the position of the operation some time ago when it had only been opened down to 135 feet, whereas now the development has been carried down to the 400-ft. level and it is said that some improvement in the ore has taken place. However, it is rather difficult to get information as the "visitors not welcome" sign is said to have been hung out at the property.

The first information to focus the attention of the mining world on the Newfoundland situation was the report that an electrical survey had indicated a huge body of ore on the Buchan's property and that this had been proven up. This caused some discussion as there were some engineers who said that the presence of the ore body had been known for many years but that tests had revealed that it was too complex to allow for successful treatment. It is generally believed that it was the latter fact that led the London interests to approach the Guggenheims on the matter and it is believed that it was the known presence of the huge body of ore that drew the Guggenheims into the deal. It was the A. S. & R. that had the electrical survey made.

The Newfoundland deposits are replacement. Lenses of zinc blende and galena and chalcopyrite, carrying gold and silver values, occur as replacement deposits in conglomerate greywacke and tuffs. A large syncline passes through the country for a great many miles, having a

the time the concentrator is ready. There is an ample supply of electric power being developed and several water powers available for development which will ensure ample power. The railway, first construction as a logging line, traverses a substantial part of the prospective mineral zone.

As The Financial Post is credited with being the first publication in Canada to reveal the details of the Buchan's property, the story published in July, 1927, should still prove of interest. It is reproduced in an adjoining column.

Harvie Mining Directors Retain Exploration Stock

Directors of Harvie Mining Co., Montreal, have appointed an executive committee composed of Messrs. Thomas Arnold, H. Austin Ekers and D. J. O'Donahue.

Pending a field report from A. J. Flood, M.E., the resident engineer now in charge of field operations, the directors, in a letter to shareholders, state that the development program in Clericy is being carefully carried out and that the company's finances are in a satisfactory condition to support the field work.

The directors have decided in the interests of the company as a whole that the 500,000 shares of the stock of Exploration Co. of Canada, held by the Harvie Co., shall be retained in the treasury. They have been informed that in accordance with an earlier understanding the Harvie Mining share holders will be given special subscription privileges to the stock of the Exploration Co. of Canada, the terms of which will be announced as soon as the financing plans of the company are completed.

The properties of the Exploration Co. of Canada, which company is an entirely separate organization to Harvie Mining, includes three groups totalling approximately 1,200 acres in the Sudbury basin, in close proximity to the Yukon Treadwell and Frood Mines.

Sherritt-Gordon's Manager Tests Out New Zinc Group

Robt. Jowsey, manager of Sherritt-Gordon Mines, is reported to have arranged to take a diamond drill to Reindeer Lake some 150 miles north of Sherritt-Gordon property, on the Manitoba-Saskatchewan boundary, to test out a lead-zinc group which is said to possess considerable merit. The ore body is reported 100-ft. wide.

HECTIC STOCK BOOM IS TAXING TO LIMIT VANCOUVER 'CHANGE

(Continued from page 1)

but its value will not be known until the coming summer when "Smelters" diamond drills will tell the story.

Pend Oreille

Pend Oreille, a Washington State mine, has had a tremendous rise. It is a lead proposition under the management of a son of J. J. Warren, president of the Consolidated Mining and Smelting. Officials of that big Canadian company are known to have invested heavily in Pend Oreille stock. The market did the rest. Spokane reports say that the property is shaping up promisingly and that it does not lack indications of becoming a mine comparable to the mighty Sullivan itself. It should be good to justify the rise in stock prices from around 50 cents, where it was introduced to the British Columbia market in December, to its present level close to and occasionally above $10.

Grandview Mine, adjoining Pend Oreille, is said to have 300,000 tons of good milling ore blocked out and a 250-ton flotation mill in prospect for the immediate future. The stock was sold before advertisements had time to appear.

Five hundred thousand shares of Grandview (50 cents par) were sold at 35 cents and 250,000 shares at 40 cents.

Kootenay Florence

Kootenay Florence has taken a fairly steady course. The mine is well regarded. It is driving a long lake level tunnel to intercept the ore at depth and there is a growing conviction that ore in the Slocan country goes deep. Good fortune of the Whitewater mine in getting a great body of a good grade ore 1,000 feet lower than the workings of any other mine in the Slocan district strengthens the conviction.

Kootenay Florence, on January 30, had about six weeks drifting to reach its objective. It is breaking about 10 feet a day. If it gets its ore at depth it will make a big mine.

Whitewater is said by its engineer, Arthur Lakes, to give promise of being the greatest mine the Slocan country has ever seen. It has worked profitably its upper levels. The Whitewater Deep Mine, generally referred to as a second mine, gives it a new lease on life and this life apparently will be more productive than its former profitable career. There is a new mill on the property lately put in operation.

Cork Province

Cork Province is another property of the Kaslo-Slocan country under the same management as the Whitewater but with separate incorporation. It has opened some very good new ore bodies. A new mill is to replace the obsolete 50-ton mill there.

Bayview, in the Portland Canal district has had a sharp rise on being financed by Brig.-Gen. Victor Odlum, Lieut.-Col. Nelson Spencer and George S. Harrison, of Vancouver. It has not yet proved its ore body.

Selkirks is up steeply from around 3½ cents. It is the old Nugget Gold mine, a property that closed down after unprofitable operation. It is hoped that more modern methods and lower costs will permit economic operation.

Ruth Hope

Ruth Hope is conceded to be one of the most promising mines of the Slocan country, government engineers speaking of its prospects in quite favorable terms.

Independence is under option to the Revenue Mining Co. of Vancouver. It is a big low-grade proposition up the Bear River Valley above Stewart, B. C. A mill and considerable equipment has yet to be installed, but the property is an interesting one.

Silver Crest, over on the Salmon River, adjoining the Big Missouri, is not well financed at time of writing. Its speculative prospects are wrapped up with those of the Big Missouri, for it is contended by directors of Silver Crest that some of the Big Missouri's best ore trends into Silver Crest ground. It is hoped that Big Missouri will some day need Silver Crest and that the Consolidated Mining and Smelting will see that it gets it. Silver Crest also owns the Saddle property at Hastings Arm, a fairly good high-grade property only a short distance from tidewater, worked by a shaft.

Indian Mine

Indian has risen apparently in sympathy with the market. It is believed that Indian is a good small mine, but without present indications of being more than that. It is not being worked.

Dunwell is closed down, but its stock, in step with the market, has moved up from the low level it touched when it ran out of broken ore almost immediately after completion of its mill and did not have the funds to break more. Dunwell's is a peculiar position and one of considerable uncertainty.

National Silver is a sort of "Investment Trust" in its own way, being more of a holding than an operating company, although it is doing some work on its claims near the B. C. Silver. It has interests in some good ground, including shares in the Sebakwe Corporation.

L. & L. is proving a fairly good body of ore. It is under the presidency of John Hart, formerly finance minister for British Columbia, which raises it in the respect of the investing public. It is short of funds in the treasury, but has a substantial amount of unissued stock and the rise may help it to finance.

Silverado

Silverado has been taken over by the Premier Gold Mining Co. It is on the Portland Canal within a mile from the town of Stewart and has a strategic position in relation to the Premier's Prosperity group of claims back of it in the Marmot River Valley north fork.

Woodbine is proving to be a mine. It apparently and almost unquestionably has the Premier main ore body extension. It is adequately financed.

Porter Idaho has a rich body of ore under the Prosperity, Marmot River. Premier would take Porter Idaho if Clay Porter, owner, would sell at Premier's terms, but Mr. Porter is determined to make a mine of his property by himself and since he owns a controlling interest in the company he may have his way.

Glasair holds shares in the Woolsey mine, which is proving up well, in addition to some other properties of secondary importance.

Cotton Belt

Cotton Belt seems to be a coming mine. It is in the Shuswap Lake district of British Columbia. It is conservatively managed and has a good engineer in charge, F. W. Guernsey. Mr. Guernsey has informed the writer that the Cotton Belt, in his estimation, is one of the best properties under development in this province. It is diamond drilling to prove its ore body, which is extensive. Much work has still to be done on it and some big money spent before it will make returns.

Rufus and Argenta were reported to be under bond to Noranda. This can not be confirmed here and it is now rumored that another company is interested in the property. They are located at the head of the Bear River across from the George. Noranda was known to be negotiating for them.

Terminus is another property in this vicinity, being on American Creek A deal with United States capital to finance development is under way, but has not been announced.

Silversmith is a well known producer which is doing only development work while waiting for the price of silver to rally.

Marmot Metals

Marmot Metals is a Marmot River property upon which only a small amount of work has been done, but which has shown up well as a property of good promise. The present management, however, has shown no particular effectiveness in handling it, possibly largely due to lack of funds.

Big Horn has a likely looking property and some important news is pending. It may be announced this week.

CAMBRO WILL START

It is expected operations will be started on the Cambro-Kirkland property adjoining Bidgood in the Kirkland Lake district within the next sixty days. A complete mining plant has been ordered for the property and plans have been made for sinking to 500 feet in depth.

Pre-Listing Offering

500,000 Shares

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Incorporated under the Ontario Companies Act

AUTHORIZED CAPITAL, $5,000,000

Shares par value, $1.00 each

Issued . . . . . . $2,500,000 Treasury $2,500,000

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Toronto Transportation Commission
Toronto Hydro-Electric Commission

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President, Carls-Rite Hotel Co., Limited, Toronto
Honorary President, Royal Winter Fair, Toronto
Vice-President, Ontario Hotel Owners Association

A. J. BRANT
Mining Operator, Kirkland Lake, Ont.

GEORGE H. O'NEIL
Vice-President, United Hotels Company of America, 25 W. 45th St., New York City

J. R. ROBINSON, JR.
Solicitor, Dominion Building, Toronto

Consulting Engineers and Geologists

DOUGLAS G. H. WRIGHT
DR. H. C. BOYDELL

PROPERTY.

The property, formerly known as the BRANT, consists of 12 surveyed and patented claims comprising 500 acres, in LEBEL Township, in the Eastern Section of the Kirkland Lake Gold camp. The group adjoins Lebel-Oro and Cambro-Kirkland on the south and southwest, and is one claim removed from Bidgood's south boundary. It adjoins on the west N. A. Timmins option (Kirkland Gold Belt), the Pawnee Kirkland on the east and King-Kirkland on the southeast.

POWER, TRANSPORTATION, ETC.

The Nipissing Central Railway and the power line cross the property. There is a good road to Kirkland Lake and ample timber and water on the property for all requirements.

GEOLOGY.

Extracts from the report of Douglas G. H. Wright, the Company's Consulting Engineer and Geologist:
"The rocks on the property consist largely of syenites and porphyries, which are the gold bearing rocks in all the present Kirkland Lake producers, together with some lamprophyre and Temiskaming sediments. The southern boundary of the property is practically coincident with the northern margin of the granite batholith lying to the south, which is considered the parent magma of the gold bearing solutions. The contacts of these various rocks and structural lines of weakness traversing them are favorable locus for ore deposition, as has been amply proven in the producing section of this camp, where the ores were commonly deposited in the intrusive porphyries and syenites near their outer margin. . . . At least five veins are known to exist on claims L.7756 and L.7759 in the northern part of the Wright-Carroll group. The width ranges from three to fifteen feet, with reported assays from 20 cents to $41.60 in gold. Sampling and assay results were supplied by A. J. Brant. . . . There is a strong possibility of veins on the adjoining Timmins option (Kirkland Gold Belt), the Pawnee Kirkland and the King-Kirkland striking into and being picked up on the Wright-Carroll. . . . The ground possessed by the Wright-Carroll Gold Mines, Limited, possesses excellent geology and structure, a section north from the granite contact showing first over half a mile of Temiskaming sediments, then one mile underlain by syenites and porphyries, with a limited amount of lamprophyre. The direction of rock contacts in this area is almost due east and west, indicating a slight bending or flexure from the general trend of the camp which has indicative interest from the viewpoint of geological structure. The property is well worth a thorough surface exploration upon the results of which recommendations for underground development will follow."

FINANCIAL STRUCTURE.

On the completion of the sale of this issue the Company will have $165,000.00 cash and 2,000,000 shares in the Treasury. Out of every dollar subscribed for stock in this issue, 82½ cents will go into the actual development of the property.

CONCLUSION.

This operation is a legitimate, honest effort to develop a property of great promise in the heart of one of the most active mining districts in Canada to-day. The Kirkland Gold Belt property, which adjoins on the east, is under option to N. A. Timmins, at a much higher price per share than the price at which shares in this Company are now offered.

Map of the property and further information on request.

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Application will be made in due course to list these shares on the Standard Stock and Mining Exchange.

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We have now ready for distribution a special, complete analytical report on this interesting Kirkland Lake Mine. Shareholders will find this analysis of considerable interest. A copy will be mailed upon request.

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J. P. WATSON, President.

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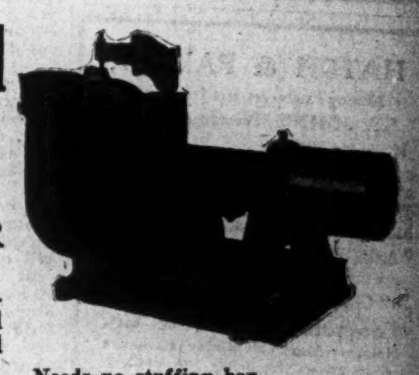

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TWELVE WELLS BEING DRILLED BY IMPERIAL OIL

Company Has Not Brought in New Alberta Producer in Year

Pres. C. O. Stillman, of Imperial Oil, in his annual report to shareholders discussed the Alberta oil situation at considerable length. Steady progress was made in 1927, he says, but no new wells were brought in.

The development of the petroleum areas of Alberta has made steady progress during the year and a more widespread interest has been evinced in the production of that district. Much of this interest has been aroused by the production of the Royalite No. 4 well, which has made an unique contribution to the country's aggregate output of petroleum. In 1924 approximately 2,500 wells throughout the Dominion—but largely in Ontario—produced a total of 160,773 barrels of crude. The performance of Royalite No. 4 affords a striking comparison with this figure. In 1925 the well produced 168,722 barrels; in 1926, 200,469 barrels; and in 1927, 217,862 barrels, which represented roughly some 55 per cent. of the entire Canadian production over that period. Present capacity of the field is 47 million feet of gas, 900 barrels of crude naptha and 175 barrels of crude oil daily, the bulk of this being from the Royalite properties. The capacity of the scrubbing plant has been increased to make available larger quantities of marketable gas for use in Calgary, our deliveries for 1927 being approximately 550 million cubic feet in excess of the previous year.

The Turner Valley field continues to present extraordinary drilling difficulties. Both cable and rotary equipments are being operated, and it has been found expedient, in certain instances, to utilize diamond drills. Each of these methods has its advantages, but none is entirely free from those drilling obstacles which the structure in the Turner Valley field seems to accentuate. Progress is, therefore, slow and there are no completions to report in this particular field during 1927.

At present the following wells are in progress in Turner Valley:

Royalite No. 6 at 3,644 feet.
Royalite No. 7 at 4,208 feet.
Royalite No. 8 at 2,636 feet.
Royalite No. 9 at 2,609 feet.
Royalite No. 10 at 2,189 feet.
Dalhousie No. 1 at 4,413 feet.
Dalhousie No. 5 at 4,822 feet.
Dalhousie No. 6 at 4,517 feet.
Home No. 2 at 3,175 feet.

the depths given being as of December 31st last. A number of these wells are approaching production in one or other of the recognized horizons; Dalhousie No. 5 is already producing a fair amount of crude oil and a number of completions are expected at an early date.

In all, some 30,000 feet of drilling was accomplished during the year; five of the wells drilling at 1st January, 1927, are still being proceeded with; five new wells have been started; three abandoned as "dry holes." Royalite No. 7, now producing as a gas well, will be drilled to a greater depth.

Our drilling programme for 1928 is an extensive one. The Northwest Co. will complete its Highwood well and drill one other well on a favorable structure northwest of Calgary. The Royalite Oil Company will continue drilling on Wells Nos. 6, 7, 8, 9, 10, and, as these are completed, will drill at further locations already selected, keeping four strings of tools continuously employed.

Our total holdings under lease in Canada are approximately 128,500 acres, the major portion of which is under rental from the Crown.

PUSH ALBERTA DRILL TO 6,000-FT. HORIZON

Doherty Co., of New York, Will Search for Oil in Alberta

From Our Own Correspondent

LETHBRIDGE, Alta.—Prepared to drill 6,000 feet if necessary, Alberta Gas & Fuel Company, Alberta subsidiary of the Henry L. Doherty Co., of New York, have spudded in the first of three wells, having moved $30,000 worth of drilling material from Prince Edward Island, where unsuccessful tests for oil and gas were made last year. Its Alberta holdings are on the extreme south end of Pincher Creek field.

Doherty Co., one of the powerful U. S. independents, is the first of the large companies to enter this field, long dominated by the Imperial Oil Company, Canadian member of the Standard. It controls 17,000 acres in one block and the No. 1 well is going down 17 miles west of Hillspring and near Waterton National Park. Filing for the company was in charge of Senator E. Michener, of Calgary. Fuel oil will be used in the engine. The outfit is one of the best equipped in the whole Alberta field.

Commonwealth Petroleums, Calgary, plans drilling its extensive oil holdings on the Blood Indian reserve west of this city, and the sinking of a test well on leases in Verdigris Coulee field. Commonwealth Pet. No. 1 well in the Devon, Mont., field will be completed, and additional drilling will be done in Montana, where the company holds some 9,000 acres of well-located oil lands.

Senator Michener is president of this company and his associates include Pat Burns, James Richardson, Lieut.-Gov. Newlands, of Saskatchewan, Senator Andrew Hayden, R. J. Hutchings, Senator W. A. Buchanan, General Griesbach and other prominent Western Canadians. It is now one of Canada's strongest independent oil companies holding acreage in all the development fields in Alberta, including Turner Valley, as well as in Montana. Eugene Coste, Dr. Williams and Dr. Allan, of the University of Alberta, have done the geological work for the company.

Mechanical difficulties at the Devenish-Imperial well at Skiff has interrupted pumping operations. When the pump was first attached it made 20 barrels an hour. Canadian Western No. well at Warner is drilling at 2,500 feet and the Mt. Royal well, west of Pincher Creek is shut down, waiting for settled weather.

MINING STOCK QUOTATIONS

Week Ending January 31

	Par. Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close Jan. 31	Sales for wk.	Range 1927 High	Range 1927 Low	Range 1928 High	Range 1928 Low
Abana	1	....	....	3.30	3.00	3.00	46090	4.90	.20	3.95	3.00
Aconda	1	....	....	35	30	32	166500	45	14½	35½	29
Afton	1	....	....	1.43	1.40	1.42	3250	1.30	1.00	1.43	1.25
Algonquin	1	....	....	3	2¾	2⅞	62650	5¼	2	3	2
Arno	.	....	....	31½	21¾	25	288000	....	....	31	21¾
Amity C.	.	....	....	37½	31	31	31400	50	24½	44	31
Amulet Rts.	.	....	....	70	50	63	18432	....	....	75	50
Amulet	1	....	....	4.10	3.50	3.57	68316	7.10	.85	5.20	3.50
Apex	1	....	....	8	7	7⅛	96550	10	1	9	7
Area	1	....	....	.26	.22	.23	60970	1.95	.23	.32	.21
Argo. Con.	1	....	....	27½	24	25½	245016	59	25	34	24
Atlas	1	....	....	4½	3	3⅞	36250	7	2	4¾	3
Ankerite	.	....	....	1.04	1.00	1.02	1300	1.25	1.15	1.23	1.00
Bathurst	.	....	....	32	26	26	32050	....	....	35	26
Baldwin	1	....	....	2¾	2	2¼	55960	5½	1	3½	2
Bagamac	.	....	....	....	....	....	....	19	6	5	5
Barry Holl.	1	....	....	.95	.79½	.81	329265	1.50	.25	1.20	.79½
Beaver	1	....	....	1.97	1.8[illegible]	1.84	49800	2.75	.59½	2.25	1.83
Bellellen L.	1	....	....	2¾	2½	2½	2350	23½	3	3½	2½
Bidgood	1	....	....	1.01	.78	.79	402650	1.83	.5	1.60	.78
Boischatel	None	....	....	4¾	4	4	45700	27	3	5	4
Big Missouri	.	....	....	90	74	74	4750	....	....	90	74
Bourlamaque	1	....	....	....	....	....	....	1.53	.50	....	....
Big Horn	.	....	....	44	39	42	55100	....	....	44	39
Buckingham	1	....	....	6	5	5	30300	9½	3	7	5
Bunker Hill	10	....	....	....	....	....	....	160	75¼	....	....
Bedford	.	....	....	47½	43	45	95100	52	19	49	38
B.C. Develop	.	....	....	1.62	1.49	1.62	13460	1.32	1.12	1.62	1.32
Cambro	.	....	....	48	37	37	3100	58	55	55	37
Can. Lorraine	1	....	....	15	13½	13½	7900	72	10	18½	13½
Capitol S.	1	....	....	17¼	15	15	8500	34	14	18½	15
Capitol R.	1	....	....	15	12	14½	257900	54½	10	18	12
Castle Tre.	1	....	....	.74	.65	.74	39450	1.27	.61	.78	.65
Cen. Man.	1	....	....	1.78	1.67	1.70	34350	2.30	1.07	1.95	1.67
Chaput H.	1	....	....	14	12½	13	42150	20	4⅛	18	12
Clifton	1	....	....	1½	1¼	1½	9700	3½	½	2	1
Coast Copper	5	....	....	57	50	50¼	7095	43¼	9¾	60	36
Col. Kirk.	1	....	....	7½	6	6½	132900	16	1½	9½	6
Clericy	.	....	....	20	20	20	1000	31½	31	30½	20
Coniagas	5	....	....	4.90	4.75	4.90	3700	5.05	3.20	5.00	4.75
Coniaurum	5	....	....	5.25	5.00	5.10	828	5.78	2.80	5.50	5.00
Cons. Smelter	25	10+40	4.38	289½	270	285	28118	274½	215	289½	251
Copper Hill	1	....	....	....	....	....	....	68	36	46	44
Corona	1	....	....	13½	11¼	11½	100300	37	10	16	11
Crown Res.	1	....	....	52	39	44½	158767	80	39	70	39
Destor	1	....	....	....	....	....	....	43	20	20	20
Dome Mines	None	$1	8.03	12.85	12.40	12.45	5775	14.60	6.85	13.35	12.40
Dom. Kirk.	1	....	....	5	3¾	3¾	35100	12	1½	6½	3¾
Don. Rouyn	1	....	....	18	17	17	14500	56½	17½	22	17
Dubec	1	....	....	.65	.59	.64	6850	1.48	.35	.72	.50
Duprat	1	....	....	10½	9	9½	77900	21	1¼	12½	8
Dupuy	.	....	....	....	....	....	....	79½	9	....	....
Everett	1	....	....	3	2½	2¾	6000	5½	1¼	3	2½
Federal Kirk.	1	....	....	74	70	71	20850	78	40	77	70
Fiske	1	....	....	4½	4½	4½	6500	30½	5	4½	4
Fisher, Que.	1	....	....	....	....	....	....	2.20	.50	....	....
Gifford	1	....	....	....	....	....	....	1¾	¾	....	....
Goldale	1	....	....	39	30¼	35	47450	51½	20	44	30¼
Gold Hill	1	....	....	34	30	30¼	84350	54	22	38½	30
Gold Reef	1	....	....	1½	1¼	1½	7500	2½	1½	2	1¼
Granada Rouyn		....	....	28¾	24	25½	146500	41	14½	35½	24
Grover Daley	1	....	....	12¼	10	11	55900	37	8	15	10
Goodfish	.	....	....	53½	50	50	30100	....	....	78	50
Harvie Exp.	None	....	....	.67	.60	.65	9985	2.40	.50	.85	.50
Hecla Con.	.	....	....	98	95	96	6100	....	....	98	95
Hillcrest c.	100	6	10.00	....	....	....	....	65	50	....	....
Hillcrest, p.	100	7	8.09	....	....	....	....	90	81¼	86¼	85
Hilltop	1	....	....	19	17	17½	21600	25	6½	23½	17
Hollinger	5	26	7.42	17.90	17.40	17.50	5253	22.65	16.40	18.10	17.40
Howey Gold	1	....	....	1.60	1.40	1.41	208155	1.78	.42	1.91	1.40
Hudson	.	....	....	23.25	20.05	20.10	181219	....	....	23.25	17.50
Indian	1	....	....	14	10	10	29050	12	4	15	5
Int. Nickel.	25	$2	2.04	100	94½	98	108057	90¼	38	100	81½
Jackson M.	1	....	....	83	73	75	61510	86	36	86	73
Keeley	1	16	28.57	.62	.53	.56	20450	1.66	.69	.72	.53
Keora M.	1	....	....	3½	2½	2⅛	26250	13½	2	5	2½
Kirk. Hunt.	1	....	....	22	16	17¾	149955	35½	10	26	16
Kirk. Lake.	1	....	....	2.40	2.12	2.20	191055	3.06	.82	2.75	2.12
Koot. Flor.	20c.	....	....	42½	35	40	173300	31	22	47	28
Lebel Oro.	1	....	....	51	39	39	45100	66	30	59	39
La Rose	1	....	....	6	6	6	100	12	3	7	4¼
Lake Shore.	1	40+30	2.82	25.65	24.00	24.75	17525	28.20	15.40	27.70	24.00
Lakeside L.	1	....	....	....	....	....	....	6	½	....	....
Laval	1	....	....	28	20	24	215150	59	19½	28	20
Lorrain C.	1	....	....	....	....	....	....	3¼	1	1	1
Lorrain T.L.	1	....	....	....	....	....	....	.86	.52	....	....
Macassa	1	....	....	47½	45	45	43550	69	18	55½	45
Malartic	1	....	....	75	70	75	84350	78	23½	83	70
Marriott	1	....	....	40	36	36	37950	45	35	46	36
McDougall.	1	....	....	53	49	51	94200	90	24	56	47
McKinley	1	....	....	19	18½	18¾	7400	25½	11	20	18½
McIntyre	5	20	3.57	29.00	27.75	28.00	9463	29.00	24.00	29.00	27.00
Mentor	10	....	....	....	....	....	....	14.00	12.00	....	....
Millcrest	1	....	....	11	9	10½	64420	15	2	12	8
Mining Corp.	5	25c.	....	5.30	3.70	4.45	68603	5.05	2.90	5.50	3.70
Moneta	1	....	....	12	10	10	7000	15½	8¼	12	9
Montreal R.	1	....	....	....	....	....	....	35	10	16	9
Monelk	.	....	....	....	....	....	....	....	....	15	15
Newbec	1	....	....	.52	.45	.48	43500	1.20	.62½	.66	.45
Newray	1	....	....	....	....	....	....	50	28	....	....
Night Hawk	1	....	....	8⅛	7	8½	76300	10½	4	10	7
Nipissing	5	6	5.60	5.75	5.25	5.35	4910	10.30	5.25	6.00	5.25
Noranda	None	....	....	21.90	20.40	20.60	25148	25.80	19.95	23.85	20.35
Nat. P. & D.	.	....	....	9.25	8.50	8.50	12120	....	....	9.25	7.75
Ophir	1	....	....	2	1½	2	5750	4⅛	¼	2½	1½
Osisko	.	....	....	.46½	.45	.46	7075	1.75	.35	.64	.45
Pawnee Kirk.	1	....	....	70	60	60	16680	78	54	80	60
Picard	.	....	....	76½	75	75	4130	....	....	77	75
P. L. Cobalt	1	....	....	14½	12	13	60930	18	2	16½	6
Porc. Crown	1	....	....	6½	5	5	16600	11	3	8	5
Pioneer	1	....	....	.58½	.51	.52	85285	1.18	.45	.60	.48
Potter Doal	None	....	....	18½	15½	16	82650	65	10½	22	15½
Premier Gold	1	32c	11.20	3.00	2.50	2.85	18135	2.50	1.86	3.50	2.15
Preston	1	....	....	4¼	4¼	4¼	14000	7	3	5	4¼
Pend. Ore.	.	....	....	10.00	8.10	8.10	9786	....	....	10.75	8.10
Realty & M.	.	....	....	13	9¼	12¼	22400	38	15	17	9½
Ribago	1	....	....	19	15	16½	200850	87	13	25	15
Rouyn G.	1	....	....	3	2	3	4800	4	2½	3	2
Rouyn, Que.	1	....	....	1½	1½	1½	500	4⅛	1	1½	1½
Rubec	1	....	....	.50	.43	.47	7600	3.65	.80	.80	.43
San Antonio	.	....	....	48½	43	45	93720	57	30	54½	43
Sherritt G.	.	....	....	6.65	6.00	6.55	19839	....	....	7.55	5.90
Siscoe	1	....	....	25	20	25	21000	60	12	25	15
South Keora	1	....	....	12	9	12	2000	64½	4½	17¾	9
Stadacona	None	....	....	21½	15	17	401320	55	13	21½	15
St. Anthony	1	....	....	36	36	36	1500	50	16	42	33
Sud. Basin	1	....	....	14.00	12.50	12.50	9680	11.85	4.00	15.00	11.50
Sylvanite	1	....	....	3.55	3.25	3.25	10850	4.80	2.60	3.90	3.25
Sunloch	.	....	....	5.05	3.70	4.00	51140	....	....	5.05	3.70
Sudbury M.	.	....	....	29	24	28	23850	....	....	33½	24
Telluride	1	....	....	....	....	....	....	38	35	....	....
Teck Hughes	1	10+5	....	9.80	8.40	8.99	286463	12.00	5.37	10.80	8.40
Thomp. Krist	1	....	....	....	....	....	....	2	½	....	....
Tough Oakes	1	....	....	68½	62¼	63	240670	82	25	79	62¼
Towagmac	1	....	....	3.80	3.01	3.25	16091	5.75	2.85	4.10	3.01
Timiskaming	1	....	....	....	....	....	....	12	4	....	....
Treadwell Y.	1	....	....	30.75	27.00	29.00	5180	26.75	18.50	32.00	25.00
Vic. Silver	1	....	....	....	....	....	....	14	1½	....	....
Vickers	1	....	....	.90	.90	.90	1300	1.52	.25	1.25	.80
Vipond	1	....	....	.64	.54	.58	43100	1.75	.47	.85	.54
Wakenda	1	....	....	9¾	7½	9	87800	16	1	11	7
Wasapika	1	....	....	....	....	....	....	2	1	....	....
West D.Lake	1	....	....	16	12½	13	97467	20	8	17½	10
West Tree	1	....	....	....	....	....	....	4½	1	....	....
Wettlaufer	1	....	....	....	....	....	....	4¾	1½	....	....
Wiltsey C.	1	....	....	54	53	53	4000	74	50	56	53
Wright Har.	None	20c.	3.57	5.86	5.50	5.60	102290	8.45	5.50	6.80	5.50
Windfall R.	.	....	....	20½	18	18	8050	31	19¾	25	18

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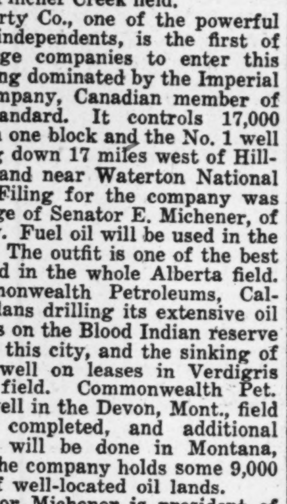

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HAUL LARGE PLANT TO FT. HOPE MINE

Contract Awarded to Cart Machinery to Far North Albany River

From Our Own Correspondent

HAILEYBURY. — The contract covering the transportation of a complete mining plant, equipment and supplies for the Fort Hope Mines from the railway to the company's property has been awarded the Brooks Contracting Company of Prince Albert, Sask.

The Fort Hope development is the most northern that has yet been undertaken in Ontario.

The Fort Hope Mines are located near the Hudson Bay Company's trading post at Fort Hope in the District of Patricia, 100 miles north of Tashota Station on the National Transcontinental Railway. The plant, which has already been shipped to Tashota, consists of two 50 h.p. boilers, a 3 drill compressor, steel sharpener, hoist, etc.

The hauling will be done over an old trading road, and it is estimated it will take the teams five days to bring the loads in and four days to return. The contracting company is putting 40 teams of horses and a 5-ton tractor on the job.

An effort was made to place the contract for hauling in Ontario, but no contractor could be found with the necessary equipment. The Brooks Company has had considerable experience in this type of work, and has just completed a contract for hauling supplies a distance of 500 miles north of Prince Albert.

The company will have considerable work for them at Tashota as in addition to the Fort Hope plant, the Tashota Mines Limited have a 150 ton plant now at Tashota Station, which is to be transported to the mines. The plant consists of a 4 drill compressor, a Diesel crude oil engine, and a hoist. This is to be transferred to the mine property which lies 18 miles south of the railway.

It is also reported that the Timmins interests are putting in a plant on the Adair property, on which they have an option.

A crew of men are already at work on the Fort Hope property putting up camp buildings and clearing the ground preparatory to sinking a shaft. This will be put down by hand steel to a depth of 30 or 40 feet. By the time this work is completed it is anticipated that the plant will be on the ground. The work of sinking the shaft to depth will then be begun. The plant which has been sent in will permit sinking operations to be carried to a depth of 400 feet.

Financial Post Article Responsible for Boom in Newfoundland Mines

(Continued from page 22)

as Andesite occurs. In the areas adjacent to the mine, basalts, quartz porphyries and diabases have been noted. It appears that similar geological conditions exist over a wide area, as zinc-lead float has been found, four miles west and five miles east of the original discovery.

What has been said refers entirely to the actual operations on the Buchan's Mine properties developed by the American Smelting and Refining Company, and there is every reason to believe that other finds of equal value will be made in the immediate neighborhood. Already other important mining interests are locating in the section. The Porcupine Goldfields Development Company have optioned 30,000 acres in the immediate vicinity along the line of strike. The British Metals Corporation had, at the time of writing, virtually closed an option on an additional 32,000 acres, and the Towagamac Exploration Company has another 37,000 acres under consideration. It appears more than likely that the near future will see a tremendous development in this section.

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